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NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

THESIS

JAPAN'S NATIONAL INTERESTS IN TAIWAN

by

Andrew E. Marocco

June 2013

Thesis Advisor: Robert Weiner
Thesis Co-Advisor: Alice Miller

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The U.S.–Japan alliance continues to be the cornerstone of the U.S.-led security structure in East Asia. Within the parameters of this alliance, the unresolved status of Taiwan still presents one of the most precarious security situations in the region, one that could lead to a major war with China. Within the larger scope of U.S.–China–Japan–Taiwan relations, Japan and Taiwan's relationship would generally be considered the least prominent of all possible combinations. Despite this reality, when pulling back the veneer from this seemingly tertiary regional relationship, there is a depth of interaction that is difficult to categorize and that has the potential to greatly influence security and stability in the region. This thesis examines Japan and Taiwan's special relationship through the lens of Japan's national interests and assesses the implications for the future of the U.S.-Japan alliance.

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JAPAN'S NATIONAL INTERESTS IN TAIWAN

Andrew E. Marocco
Lieutenant Commander, United States Navy
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Submitted in partial fulfillment of the
requirements for the degree of

**MASTER OF ARTS IN SECURITY STUDIES
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The U.S.–Japan alliance continues to be the cornerstone of the U.S.-led security structure in East Asia. Within the parameters of this alliance, the unresolved status of Taiwan still presents one of the most precarious security situations in the region, one that could lead to a major war with China. Within the larger scope of U.S.–China–Japan–Taiwan relations, Japan and Taiwan's relationship would generally be considered the least prominent of all possible combinations. Despite this reality, when pulling back the veneer from this seemingly tertiary regional relationship, there is a depth of interaction that is difficult to categorize and that has the potential to greatly influence security and stability in the region. This thesis examines Japan and Taiwan's special relationship through the lens of Japan's national interests and assesses the implications for the future of the U.S.-Japan alliance.

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LIST OF ACRONYMS AND ABBREVIATIONS

A2/AD	Anti-Access/Area Denial
AEW&C	Airborne Early Warning and Control
AIT	American Institute in Taipei
ALCM	Air-Launched Cruise Missile
AMS	Academy Of Military Science
APEC	Asia-Pacific Economic Cooperation (Forum)
APT	ASEAN Plus Three (China, Japan, South Korea)
ARF	ASEAN Regional Forum
ASAT	Anti-Satellite
ASB	Air-Sea Battle
ASBC	Air-Sea Battle Concept
ASBM	Anti-Ship Ballistic Missile
ASCM	Anti-Ship Cruise Missile
ASEAN	Association of Southeast Asian Nations
ASUW	Anti-surface Warfare
ASW	Antisubmarine Warfare
AWACS	Airborne Warning and Control System
BAMS	Broad Area Maritime Surveillance
BJOCC	Bilateral and Joint Operations Command Center
BMD	Ballistic Missile Defense
C2	Command and Control
C4ISR	Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance
CCP	Chinese Communist Party
CMC	Central Military Commission
DOD	Department of Defense (U.S.)
DPJ	Democratic Party of Japan
DPP	Democratic Progressive Party
DSP	Defense Support Program
ECFA	Economic Cooperation Framework Agreement
EEZ	Exclusive Economic Zone
FTA	Free Trade Agreement
GDP	Gross Domestic Product

GWOT	Global War on Terrorism
IADS	Integrated Air Defense System
IAJ	Interchange Association Japan
ICBM	Intercontinental Ballistic Missile
IISS	International Institute for Strategic Studies
ISR	Intelligence, Surveillance, and Reconnaissance
JASDF	Japan Air Self-Defense Force
JDA	Japan Defense Agency
JETRO	Japan External Trade Organization
JGSDF	Japan Ground Self-Defense Force
JMSDF	Japan Maritime Self-Defense Force
JOAC	Joint Operational Access Concept
JRP	Japan Restoration Party
JSDF	Japan Self-Defense Forces
KMT	Kuomintang
LDP	Liberal Democratic Party
METI	Ministry of Economics, Trade and Industry
MITI	Ministry of International Trade and Industry
MOD	Ministry of Defense (Japan)
MOFA	Ministry of Foreign Affairs (Japan)
MRBM	Medium-Range Ballistic Missile
NDPG	National Defense Program Guidelines
NDPO	National Defense Program
NSC	National Security Council
NSS	National Security Strategy
OECD	Organization for Economic Cooperation And Development
OSD	Office of the Secretary of Defense
OTHR	Over-the-Horizon Radar
PACOM	(U.S.) Pacific Command
PBSC	Politburo Standing Committee
PLA	People’s Liberation Army
PLAAF	People’s Liberation Army Air Force
PLAN	People’s Liberation Army Navy
PPP	Purchasing Power Parity
PRC	People’s Republic of China

QDR	Quadrennial Defense Review
R&D	Research and Development
ROC	Republic of China
ROK	Republic of South Korea
SAM	Surface-to-Air Missiles
SAM	Surface-to-Air Missile
SLBM	Submarine-Launched Ballistic Missile
SLOC	Sea Lines of Communication
SRBM	Short-Range Ballistic Missile
SS	Diesel-Electric Submarine
TECRO	Taiwan Economic and Cultural Representative Office
TRA	Taiwan Relations Act
UAV	Unmanned Aerial Vehicle
UN	United Nations
UNSC	United Nations Security Council
USAF	United States Air Force
UUV	Unmanned Underwater Vehicle
WTO	World Trade Organization
WWII	World War II
SSBN	Nuclear-Powered Ballistic Missile Submarine
VLS	Vertical Launch System
SSN	Nuclear-Powered Submarine

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EXECUTIVE SUMMARY

> "To discuss the strategic importance of Taiwan is a delicate task. It is in itself delicate to discuss any strategy openly. Strategy is based on calculation of naked national interests. It is irrelevant to current norms or ethics of international conduct. If not unethical, it could be discourteous. "He is neither rich nor promising. Therefore, I wouldn't think of marrying him." Any lady has the right to think so. But it is definitely impolite to explicitly say so."
>
> —Ambassador Hisahiko Okazaki,
> U.S.–Japan–Taiwan trilateral dialogue, 2003

The U.S.–Japan alliance is the cornerstone of the U.S.-led security structure in East Asia, which has provided the region's fundamental balance of power from the Cold War to the present day. Within the parameters of this alliance, the unresolved status of Taiwan presents one of the most precarious security situations in the region, one that could lead to war with China. Within the larger scope of relations among the U.S., China, Japan, and Taiwan, the Japan–Taiwan relationship is generally considered the least prominent of all possible combinations. It is important to establish that Japan and Taiwan do not maintain official state-to-state relations, and unlike the United States, Japan lacks a legislative mandate to guide its interaction with Taiwan. Despite this reality, when pulling back the informal veneer from this seemingly tertiary regional relationship, a depth of interaction is revealed that is difficult to categorize.

Though it may be typical for commentators and military planners to view Taiwan strictly as one of the primary security challenges and justifications of the U.S.–Japanese alliance, this would be a significant over-simplification and a misinterpretation of how the Japanese evaluate the Taiwan issue. In the same vein, Sino–U.S. relationship commentators generally view Japanese involvement in the Taiwan issue as a destabilizing factor, rather than in the context of an important regional ally with a unique vantage point on and potential leverage in the relationship with Taiwan.

In his 80s now, Ambassador Hisahiko Okazaki remains one of Japan's most prolific realist actors in foreign affairs and grand strategy and has spent over forty years involved in the Taiwan issue. In his seminal 2008 work, *Taiwan Mondai wa Nihon*

Mondai (The Taiwan Problem is Japan's Problem) he provides his perspective on how the issue of Taiwan has evolved and makes a convincing case that any potential resolution of the issue will greatly affect Japan. Indeed, many on the U.S. side of foreign and defense strategy and policy might be shocked at the assertion that Taiwan is somehow "Japan's problem," as the U.S. has been the primary guarantor of peace in Taiwan Strait for the past sixty-plus years. The people and government of Taiwan would likely take issue with their island home being deemed a "problem" in the first place, and more perturbed that it would be some other nation's "problem." What, then, drives Okazaki's bold assertion that Japan must take a leadership role in resolving the Taiwan issue?

First and foremost, the reality that Japan has an independent strategic perspective on Taiwan should be recognized. Despite continued U.S. engagement, forward deployment of military forces, and the codification of the recent "re-balancing" strategy for the region—all of which Okazaki is very much in favor of—the fact remains that the U.S. is an external actor in an issue largely driven by regional geography. Put bluntly, the U.S. does not live in the East Asian neighborhood, so the stakes for the U.S. will naturally be different from a regional actor's. Other substantial factors that have allowed Japan to maintain deep ties and realize its interests in Taiwan include shared history, culture, language, bureaucratic and economic institutional development, and a common appreciation for pragmatism and order—all still relevant dynamics of the interaction. One conclusion that can be derived from the nature of Japan and Taiwan's relationship is that while the U.S. may be more heavily invested in facilitating the *process* of reconciliation in the Taiwan Strait, Japan is more invested in, and vulnerable to, the *outcome*. Though this outlook may seem simplistic, Okazaki might retort that, "in making geopolitical judgments, the basics are more important than temporary political fluctuations."[1]

The substantial limitations on Japan's interaction with Taiwan and its involvement in the resolution of the Taiwan Strait question form another basic governing reality that should not be downplayed. At various times in history, the desires and

[1] Hisahiko Okazaki, "Japan-U.S. Alliance a Guarantee for Peace," *Daily Yomiuri*, October 23, 2005.

pressures of the U.S. or the People's Republic of China's (PRC) have completely overshadowed Japan's basic interests in Taiwan. Additionally, the will of 24 million Taiwanese people for self-determination should not be dismissed. In the midst of this constrained environment, Japan's interests in Taiwan have converged or complemented U.S. interests to a great extent, and even China and Japan have reached a level of implicit understanding about Japan's interaction with Taiwan through the years. As it stands now, Japan has built a niche as a pragmatic economic partner to Taiwan and an effective "passive balancer" to the PRC's increasing influence over Taiwan.[2] An interesting follow-on question is, can Japan be more than a passive balancer for Taiwan? And further, what is the utility of a more assertive role in the Taiwan issue for Taiwan, Japan independently, and Japan as an ally of the United States?

Some Interesting Statistics

Though analysis of the special relationship between Japan and Taiwan through history is extensive, it is curious to note that since 2008, there has been relatively little attention given to important new developments in the relationship due to the shifting strategic situation in East Asia, including cross-Strait rapprochement. This gap is even more surprising when considering some basic statistics on public sentiment in Japan and Taiwan. For example, in 2009, in a public-opinion poll conducted in Taiwan, when asked, "What is your favorite country? (other than Taiwan)," 52 percent of the respondents answered Japan (an increase from 38 percent the previous year), compared to 8 percent for the United States, and only 5 percent for the PRC.[3] This friendly sentiment of the Taiwanese public was expressed monetarily as Japan was dealing with the massive Great Eastern Japan Disaster of March 2011. The Taiwanese government donated 260 million USD to the relief effort—the largest monetary contribution by any one nation, by far. Economically, Japan is Taiwan's second-largest trade partner, following only the

[2] Yasuhiro Matsuda, "Japan-Taiwan Relations in the New Era," Japan –Taiwan Dialogue for the New Era, Sep 2012.

[3] The Public Opinion Research in Taiwan on Perceptions about Japan, Interchange Association, Japan, available at http://www.koryu.or.jp/taipei/ez3_contents.nsf/04/4B83AF9AE8363E8D492576EF002523D4?OpenDocument, accessed on December 21, 2012.

PRC. In the political realm, when Taiwan president Ma Ying-jeoh gave his inaugural speech in 2012, he cited Taiwan's diplomatic efforts with specific emphasis on Japan, saying, "Our 'special partnership' with Japan represents the friendliest state of bilateral ties in forty years." This statement was furthered in Taiwan's latest foreign policy report (Oct 2012), where, outlining Taiwan's strategy for coping with continuing change in the strategic environment, a "deeper friendship with Japan" was the second most important tenet listed, even before "closer relations with the United States."[4]

Japanese public opinion of Taiwan has become more favorable since 2009 as well, with a 91.2 percent (increase from 76 percent in 2009) of random Japanese survey respondents indicating they believed relations with Taiwan were "good" in 2011, and 84.2 percent responding that they "trust Taiwan" (an increase from 64.7 percent in 2009). In 2011, 1.3 million Japanese traveled to Taiwan—an increase of nearly 20 percent from 2010. Economically, Taiwan is Japan's second-largest import market, with 52.21 billion USD in trade in 2011, and Japan is Taiwan's fourth largest importer of goods, with 18.24 billion USD in trade in 2011. In conjunction with this high level of commerce, the Interchange Association of Japan (IAJ) and Taiwan's East-Asian Relations Commission passed a slew of functional economic agreements in 2010–2012, such as investment-protection protocols and patent-registration cooperation. Foreshadowing Taiwan's importance to the current Japanese political leadership, Prime Minister Shinzo Abe traveled to Taiwan in 2010 and 2011 for semiofficial visits as an opposition party member during the DPJ's short-lived reign.[5] As an example of how a closer Japan–Taiwan *de facto* governmental relationship could manifest, in a recent event commemorating the second anniversary of the Great Eastern Japan Disaster (March, 2011), Taiwan's TECRO representatives were allowed to sit in the official diplomatic section. While this was a small gesture of appreciation for Taiwan's overwhelming

4 "President Ma's Inaugural Address," 21 May 2012, Taiwan MOFA website, http://www.mofa.gov.tw/EnOfficial, accessed on 1 Mar 2013.

5 Matsuda, 11.

support during a tremendous time of need, it was also a deliberate effort to show support for Taiwan in spite of certain Chinese diplomatic protests.[6]

Despite this trend of closer ties, rough seas would appear to dominate the headlines of the current relationship. A Google search of "Japan and Taiwan" in March 2013 produced pages of developments on the East China Sea dispute over the Senkaku/Diaoyutai islands, claimed by Japan, the PRC, and Taiwan. Though Taiwan has indicated it will not coordinate with the PRC on the issue and has committed to resolving the issue peacefully, Taiwan and the PRC are ephemerally aligned against Japan's claims over the islands. Herein, however, lays one of the most intriguing dynamics of current Japan–Taiwan relations: as the Taiwanese government and the PRC focus on actively seeking areas of convergence, Japan has found that it can be an increasingly important role-player for Taiwan. Indeed, Taiwan seems to use its deep relationship with Japan to prove to its own citizenry that it is actively maintaining diplomatic space. This reality is captured in Okazaki's optimistic article, "Fighting Peace for Taiwan," published following Ma's reelection in 2012, which notes that Ma has begun to balance increasingly unpopular cross-Strait initiatives with popular functional private and cultural-appreciation agreements with Japan.[7] A recent example can be found in the announcement of the Japan–Taiwan East China Sea fishery agreement signed in April 2013, in spite of the recent tensions in the East China Sea.[8] In essence, despite a serious shift in equilibrium, as embodied in Ma's rapprochement agenda towards cross-Strait reconciliation, a deeper relationship with Japan offers important diplomatic space for Taiwan, even as its reliance on the United Sates potentially decreases and dependency on the PRC increases.

[6] Matsuda, 6–9; Zhang Yunbi, "Beijing Protests Tokyo's One-China Policy Violation,"*China Daily*, 12 March 2013.

[7] Hisahiko Okazaki, "Fighting Peace for Taiwan," *The Japan Times*, 05 Jun 2012.

[8] Elaine Hou, "Taiwan-Japan Fishery Rights Meet Set for Wednesday in Tokyo," *Central News Agency*, Taipei, Taiwan, 12 Mar 2013

Research Questions

Japan and Taiwan have a special relationship that, despite its lack of prominence on the surface of foreign affairs in the region, has the potential to greatly affect security and stability in the region. In recognition of the depth and complexity of Japan–Taiwan interaction, the following questions are submitted:

1. What are Japan's national interests in Taiwan and how have they been realized throughout the history of interaction? How have they diverged from/converged with U.S. interests in Taiwan through recent history (1945–2008)?
2. What are the dynamic forces at work in the current Japan–Taiwan relationship in the new era of cross-Strait rapprochement (2008–present)?
3. What are the implications of Japan's enduring and current interests in Taiwan for the U.S.–Japan alliance and how can the unique relationship between Japan and Taiwan be leveraged most effectively for the benefit of the alliance and the stability of the region?

Preliminary Hypotheses

First, Japan's primary interests in Taiwan from 1945–2008 were economic, followed by regional balance-of-power concerns, and only brief, intermittent periods where crisis management interests dominated the interaction. Japan has realized its interests consistently throughout the history of this interaction, despite major change in the cross-Strait situation, by utilizing a pragmatic approach focused on developing mutually beneficial commercial ties and cultural exchange. In comparison to U.S. interests in Taiwan through recent history, Japanese interests have generally converged with, but more often complemented, U.S. interests, and have rarely diverged or detracted from the U.S. stance. For instance, that the U.S. took the lead role in balance-of-power and crisis management issues in the Strait allowed Japan to focus more intently on a smooth, practical economic relationship with Taiwan, even facing major shifts in the strategic situation.

Second, Japan's interests in Taiwan continue to be attained through a variety of formal and informal mechanisms. Currently, private business partnerships, cultural exchanges, and consequential personal interactions, in conjunction with robust government-sponsored political exchanges and expanded track-II security dialogues,

have formed the most pervasive and effective method to maintain a positive interaction. An undeniable cultural affinity between the people of Japan and Taiwan continues to facilitate a meaningful interaction, even in the midst of significantly heightened territorial tensions. A shared understanding and appreciation of bureaucratic institutionalism has facilitated highly purposeful *de facto* governmental relationships that continue to influence all major sectors of power in Japanese and Taiwan foreign policy. The Taiwan lobby in the Diet has proven to be the power center of Japan's support for Taiwan, and continues to influence policies that indirectly and directly benefit Japan's interests in Taiwan. As the possibility of ultimate reconciliation between the PRC and Taiwan appears more likely, Japan is poised to play a more independent and assertive role in balance-of-power issues for Taiwan, while the U.S. interests in Taiwan have shifted, ever so slightly, away from balance of power, as crisis management and economic interests with China have taken precedence.

Finally, looking forward, in the case that PRC–Taiwan unification appears more likely or comes to fruition, Japan's fundamental interests in Taiwan might diverge significantly from U.S. interests, and significant coordination would be required to manage these differences within the framework of the alliance. Specifically, the reality that Japan has a greater interest in Taiwan's maintaining some form of political separation from the PRC, regardless of the process used in reconciliation, could either complicate U.S. policies towards China and Taiwan or augment U.S. strategic interests in the region, depending on a wide variety of variables. Furthermore, Japan could feasibly play a more assertive role in the triangular relationship with the United States and Taiwan, not just as a passive balancer, but as a proactive balance to Taiwan's increasing dependency on China. Specifically, as the U.S. edges away from more controversial cross-Strait issues, such as arms sales, Japan could provide diplomatic space for Taiwan in other ways. While any official defense-oriented arrangement would be highly problematic and a greater risk to Japan's interests in China, recent developments show it is not entirely out of the realm of possibility. To a certain extent, Japan could also provide a non-military balance to the PRC that functionally accomplishes the intent of the traditional U.S. role—providing more equal footing for fair negotiations between the

PRC and Taiwan. Furthermore, a more assertive balance against the PRC for Taiwan could also allow the U.S. to advance the alliance in other more problematic areas, such as basing and functional arrangements for collective self-defense in areas surrounding Japan and beyond.

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I. JAPAN–TAIWAN RELATIONS: A SURVEY

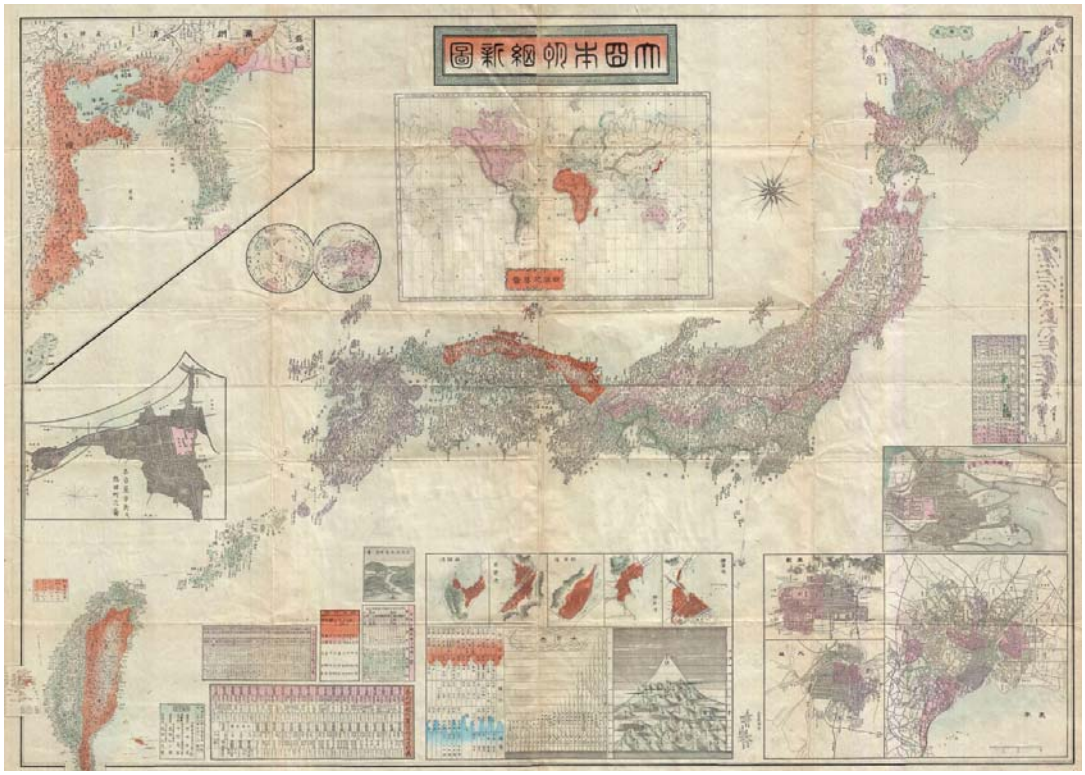


Figure 1. Japanese map of the Meiji Japan Empire in 1895
(From Wikipedia Commons)[1]

A. PREAMBLE: TAIWAN AS A COLONY OF JAPAN (1895–1945)

Any discussion of the history of interaction between Japan and Taiwan should start with a quick examination of a map of East Asia. A close look reveals that Yonaguni Island, the westernmost island in the Nansei island chain of Japan, is less than seventy miles from the port of Suao in Taiwan, which is about twenty miles closer than the shortest distance from the island of Taiwan to Mainland China. Proximity between nations in East Asia certainly does not guarantee mutual goodwill or even a functional relationship, but, particularly in the case of Japan and Taiwan, geography is fundamental

[1] Figure 2. Japanese map of the Meiji Japan Empire in 1895, Wikipedia Commons, accessed online at http://commons.wikimedia.org/wiki/File:1895_Meiji_28_Japanese_Map_of_Imperial_Japan_with_Taiwan_-_Geographicus_-_ImperialJapan-meiji28–1895.jpg, accessed on 01 Feb 2013.

in understanding the history of interaction between these two peoples and their national interests. This thesis offers several basic, geographically derived conclusions as a foundation from which to move forward. One conclusion is that to Japan, a nation heavily reliant on maritime trade for basic resources, including food and fuel, Taiwan represents the northern boundary of a key chokepoint (the Bashi Channel of the Luzon Strait) for critical imports transiting from the Middle East and Southeast Asia through the South China Sea. Second, the island of Taiwan has offered Japan a strategic buffer to mainland China in the past, present, and, as long as the status quo exists in the Taiwan Strait, the future. Finally, a third, and perhaps the most controversial conclusion, is that the proximity of Japan and Taiwan necessitates interaction. Regardless of what regime holds power on the island, it will be in Japan's interests to maintain a functional relationship.

It is curious to note that Taiwan's geostrategic importance in East Asia is a relatively recent development. Throughout most of China's interaction with the island, it was generally regarded as a backwater territory with minimal commercial or resource significance. Not until the 17th century was it conquered by the Great Qing Empire, and was not designated a province until 1885.[2] Though various Western colonial powers had occupied portions of the island, primarily as outposts for trade, the island as a whole was not considered commercially viable, administratively manageable, or strategically significant to the West. Like those of European colonial powers, U.S. interests in Asia in the mid-19th century were primarily commercial, but outward-bound America's initial impressions of Taiwan diverged from its European predecessors. U.S. Navy Lieutenant John Rodgers, after leading a survey expedition in 1856 of areas around Japan and the coasts of China as endpoints for the Great Circle route, concluded "commercial possibilities are so vast as to dazzle sober calculation."[3] The U.S. Commissioner to the Qing Empire at the time went as far as to recommend the seizure of Taiwan to be used as a trading base and as leverage against China for trade concessions, but this recommendation did not effectively force any policy development or concerted action

[2] Bruce Elleman, *Modern China: Continuity and Change, 1644—Present*, (Boston: Prentice Hall, 2007), 51.

[3] Walter LaFeber, *The Clash: U.S.-Japanese Relations throughout History* (New York: Norton, 1997), 25.

towards Taiwan.[4] From the beginnings of Japan–Taiwan interaction, it should be noted that Taiwan as well as the Ryukyu Islands chain, fell into a gray area of territorial boundaries and administrative control between Japan and China, which were not truly clarified even through the late 19th century, and further complicated by cessation of Taiwan to Japan in 1895, following the first Sino–Japanese War. Indeed, it was not until after Japanese colonization that Taiwan's strategic importance would be fully recognized in Asia and to the Western world; and to a certain degree, it was Japanese strategic foresight regarding a deliberately ignored territory that began Taiwan's transformation. [5]

As Japan's interests in Taiwan were codified in the late 19th century, it did not take long before aspirations became reality. In 1874, a Japanese expedition to the southern Ryukyu Islands occupied a portion of the northern coast of Taiwan. While the rapidly declining Qing dynasty threatened retaliation, it did not have the naval capabilities to challenge the occupation. Though the Japanese occupation could have been considered a clear violation of Japan and China's nonaggression pact of 1871, China acquiesced to the Japanese interpretation that it did not violate the pact, despite the Qing dynasty's nominal administrative control over the vast, rugged aborigine-controlled areas of the island. Following this incident, China even paid an indemnity covering the cost of the Japanese expedition, which only served to solidify Japanese sovereignty claims of the Ryukyu Island chain and further encourage Japan's larger ambitions in Taiwan. By 1875, the Ryukyu kingdom ceased paying tribute to China, and by 1879 was fully incorporated into Okinawa prefecture of Japan. With the Ryukyu Islands and a foothold in the north of Taiwan, Japan would gain complete control of Taiwan in less than twenty years.[6] Figure 1 depicts the Meiji Japan Empire in 1895.

At the conclusion of the first Sino–Japanese War in 1895, Taiwan became a colony of Imperial Japan, and remained so until the end of World War II (WWII). Taiwan was Japan's first colony and, arguably, remained the most important colony throughout Japan's fifty-year imperial adventure. Though the Japanese colonial legacy in

[4] Ibid.

[5] Ibid; Elleman, 51.

[6] Elleman, 185–187.

Taiwan is a worthy study on its own, for the purpose of this thesis, it will only be dealt with as a precursor to a historical survey of Japan's interests in Taiwan, beginning in 1945 with the conclusion of WWII. From the onset, however, it should be noted that Japan's colonial legacy is still very much relevant to the current interaction between Japan and Taiwan. It is also important to understand that, while Japan's imperialistic actions throughout Asia and the Pacific from the late 19th century until the end of WWII are notorious and the root of much animus directed at Japan in the region today, Japan's legacy in Taiwan has generally received a more favorable historical judgment. Taiwan, unlike Japan's other strategic colony, Korea, was somewhat accustomed to foreign rule. Portions of Taiwan were declared Dutch territory from 1624–1662 and a Spanish territory from 1626–1642, before being annexed by the Chinese Qing dynasty in 1683. It also is relevant to mention that following Japanese rule, Kuomintang (KMT) rule as the Republic of China (ROC) was analogous to another foreign invasion in most respects to the people of Taiwan. In essence, the long pre- and post-history of colonialism in Taiwan establishes a baseline for understanding favorable Taiwanese impressions of Japanese rule. Figure 2 indicates the place of Taiwan in Japan's co-prosperity sphere.

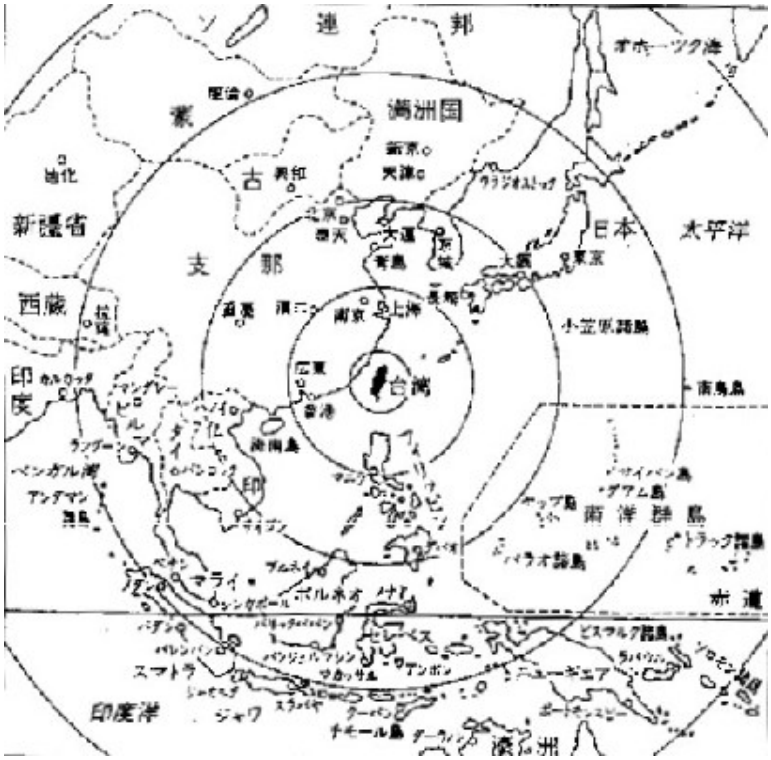


Figure 2. Taiwan in Japan's Co-Prosperity Sphere[7]

Compared to Korea, the people of Taiwan were much more willing to submit to Japanese rule, but that did not eliminate a generally chaotic first endeavor in colonial conquest. Japan's initial effort to establish control on Taiwan was "no more or less ruthless than the average colonial campaign," and immediate resistance from Qing officials declaring Taiwan as the "Republic of Formosa" was crushed over a five-month period from May to October of 1895.[8] As with the rest of the history of Japan–Taiwan relations, however, specific individuals made major, lasting impacts. One important figure still prominent in the Japanese colonial narrative is Goto Shinpei, the chief of home affairs for Taiwan from 1896–1918. Goto was the primary engineer behind

[7] Asahi Shinbun, 1944. As accessed online at http://www.japanfocus.org/data/3%20greater%20east%20asia%20co-prosperity%20sphere%20smaller.jpg, 2 Mar, 2013.

[8] Mark Peattie and Ramon Myers, *The Japanese Colonial Empire, 1895–1945,* (Princeton: Princeton University Press, 1984), 19.

Taiwan's dramatic transformation from an "embarrassment to a colonial showcase" within the first decade of Japanese rule. [9]

Goto's colonial philosophy entailed a meticulous scientific approach based on thorough sociologic research and the effective institution of well-planned and coordinated colonial policies. These policies included the incremental eradication of opium and the first reliable census and land survey, both of which allowed for more efficient taxation. Currency, weights, and measures were standardized during Goto's administration. Perhaps the most noticeable material achievements in the first decades of Japanese rule was the construction of economic infrastructure, including a modern railway from the main northern port city Keelung to the southern port Kaoshiung, modern port facilities, and power plants.[10] Overall economic productivity under Japanese colonial rule would increase at a rate three times that of population increases during the same period.[11] In 1918, when Goto returned to Japan, Taiwan, a formerly ignored province of the Qing dynasty, had been changed into a modern, economically self-sufficient, lucrative agricultural producer, which was central to Japan's larger ambitions in the region.[12]

While much of the literature on Taiwan as a Japanese colony has focused on the cultural efficiency of Japanese governance and personalities such as Goto, Caroline Ts'ai's book, *Taiwan in Japan's Empire Building*, provides a recent technical study of the methods of Japanese colonial rule, including social engineering, institutionalism, colonial mobilization during WWII, and the legacy left behind. Ts'ai paints a nuanced picture of an ad-hoc Japanese approach that, though it had its origin in Meiji Japan's concurrent experience with development and modernization, grew with the organic development of Taiwan. Additionally, Ts'ai stresses that in this learning process, the Japanese effectively managed Taiwanese participation in colonial administration by incorporating indigenous social forces only when truly feasible. As an example, by

9 Ibid, 19, 83–85.

10 Douglas Mendel, *The Politics of Formosan Nationalism*, (Berkley: University of California Press, 1970), 16–18.

11 Copper, *Taiwan*: *Nation-State or Province?*, (Boulder: Westview, 1999), 129.

12 Peattie, 83–85.

conducting a thorough land survey, the extent of all towns and villages in Taiwan was precisely delineated—every major field, plantation, and any substantial production capacity was included. Though the survey was heavily supervised by Japanese professionals and information consolidated within the central bureaucracy, Taiwanese village headmen were appointed by the government as survey commissioners. Accuracy was incentivized, and the net result was increased production efficiency and taxation, based on a balanced interplay between centralized control and local management of arable land.[13]

The negative aspects of Japanese rule in Taiwan should not be overlooked. Japanese administration of Taiwan may be judged successful in almost every material way, but was not successful in gaining the true loyalty of the people of Taiwan. Negative commentaries on Goto's leadership style labeled him a samurai authoritarian of the same order as found in the classic Chinese legalist literature, the *Book of Lord Shang*, and his aims for regimented sociological obedience, while effective for administration and productivity, can certainly be criticized. On the streets of Taipei even through the 1960s, Japanese colonial rule was occasionally referred to as the "era of the dogs."[14]

Generally, Japan's colonial administration of Taiwan has been divided into three periods: "the Early Years" (1895–1915); "Doka (Integration)" (1915–1937); and "Kominka (Subjects of the Emperor)" (1937–1945). In the Kominka phase of colonial leadership, militaristic policies in Japan took precedence, and Taiwan was crucial to this effort. As a result, the natural resources, industrial and agricultural infrastructure, and most importantly, the people of Taiwan, were subject to the needs of the empire, which included fighting and dying in the Japanese imperial army in Southeast Asia and the South Pacific. Cultural assimilation policies encouraged the strict use of the Japanese language and elimination of Taiwanese social movements, especially any movement towards self-determination. By the mid-1930s, Taiwan's geostrategic position came into the forefront, with potential military objectives extending outwards from colonial

13 Caroline Ts'ai, *Taiwan in Japan's Empire Building*, (New York: Routledge, 2009), 1–10; 123–126.

14 Mendel, *The Politics…*, 17; George Kerr, *Formosa: Licensed Revolution and the Home Rule Movement*, Honolulu: University of Hawaii Press, 1974,

territories. The commander of the Imperial Japanese Navy's combined fleet, Admiral Takahashi Sankichi, put it in simple terms, arguing that "Japan's economic advantage must be directed southward with either Formosa or the South Sea islands as a foothold."[15] Though the large-scale mobilization of the Taiwanese people to support the Imperial Japanese war machine would have some second-order beneficial effects, such as increased industrial productivity and opportunities for participation in Japanese governance, it was generally an ugly conclusion to what was otherwise one of the most successful examples of the modernizing effects of Japanese colonial rule.

In reconciling the legacy of Japanese colonial rule in Taiwan and how it shaped later interactions between Taiwan and Japan, this thesis offers the assessment that Western-imperialism-dominated regional dynamics, Japan's own internal reformation and modernization efforts, strong Japanese leaders during transitional periods, and strong institutions built for the long-term vitality of Taiwan were the primary factors that allowed the Japanese colonial experience in Taiwan to be a favorable one. Caroline Ts'ai emphasizes the institutional aspects of Japanese rule and concludes that Japanese rule of Taiwan "left a legacy of discourses on modernity, whose effects continue to be felt in Taiwan today."[16] Indeed, what the Japanese accomplished in Taiwan was an impressive display of the right mix of colonial adaptation, a shared belief in the applicability of Meiji reforms for modernization, an appropriate amount of colonial space, and institutional depth. It is also fascinating to transpose the Japanese colonial legacy onto the current cross-Strait environment, where the prospect of Chinese Communist control of Taiwan is very distasteful to the vast majority of the people of Taiwan, who likely need to be convinced that another takeover by another off-island regime will be an improvement over what has been done before.

The Japanese colonial period in Taiwan remains a key narrative of historical memory still relevant to the Japan–Taiwan relationship today. With regard to Japan's interests in Taiwan during the colonial period, one key observation is that from 1895–1945, Japan was a prolific balance-of-power actor in the region, both politically and

[15] Peattie, 123.

[16] Ts'ai, 234.

militarily; and further, its actions had a direct effect on Taiwan. After 1945, Japan's role in the region and for Taiwan would shift dramatically, but the legacy of Japan's interests in Taiwan would persist.

B. OFFICIAL RELATIONS WITH THE ROC (1945–1972)

1. Introduction

The following sections distill the current drivers of the Japan–Taiwan relationship from their historical roots through the lens of Japan's national interests. This historical survey will proceed by examining three distinct periods of time: post-WWII/Cold War (1945–1972); post- formal ties (1972–1996); and Taiwan as a democracy (1996–2008). Each period includes a historical survey of key junctures within that period and concludes by attempting to extract Japan's primary interests in Taiwan during that period in terms of national objectives, foreign-policy methods used to achieve those objectives, and a judgment on outcomes, including a comparison against U.S. interests in Taiwan during the same period.

In general, the Japan–Taiwan relationship remained strong, functional, and surprisingly adaptive from 1945–2008, despite periods of tension, conflicts, and even major strategic shifts in the region. This was due to geographic proximity, a positive colonial legacy, pervasive cultural and institutional similarities, a pragmatic approach to trade, and mutual interests in balancing against regional dominance by the People's Republic of China. The period from 1945–1972 best exemplifies how the Yoshida doctrine, focused on economic development and expansion, dominated Japan's foreign policy and was skillfully represented by the mainstream factions of the Liberal Democratic Party (LDP) and the Ministry of International Trade and Industry (MITI). These mainstream elements, united under the "1955 system," drove Japanese interests in Taiwan while complementing U.S. Cold-War balance-of-power politics in the region. From 1972–1996, though never the primary determining interest in Japan's relations with Taiwan, crisis-management actors, principally the Ministry of Foreign Affairs (MOFA) and left-leaning factions of the LDP, came to the forefront in Japan's relationship with China, which, in turn, dominated Japan's interaction with Taiwan. These crisis-

management efforts also offered reassurance of stability as Japan attempted to reconcile the shocking reversal of American foreign policy with regard to diplomatic recognition of the People's Republic of China and the Republic of China. From 1996–2008, balance of power interests in Japan, represented by right-leaning elements of the LDP, the increasingly powerful Taiwanese lobby in the Diet, and the newly empowered Ministry of Defense (formerly the Japan Defense Agency) emerged more prominent in Japan's relationships with China and Taiwan, as manifested through key advancements of the U.S.–Japan Alliance. New, more assertive forms also emerged as Japan reluctantly acknowledged its own strategic security needs in the region, independent from the U.S.–Japan alliance.

2. The Yoshida Doctrine and the "1955 System"

It is interesting and tragic that the governance of Taiwan throughout history has had very little to do with the desires of the people of Taiwan. Taiwan's post-WWII future was essentially decided at the Cairo Conference of 1943, when allied powers attempted to agree on a postwar world order. The Cairo declaration explicitly states, "all territories Japan has taken from China, such as Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China."[17] While the U.S. officially stated that Cairo was not a binding agreement, the immediate post-WWII order played out essentially as detailed. In 1945, however, Japan and China entered into a complicated strategic environment, where the utility of the alliance structure forged during WWII rapidly dissipated. Initially, the Chinese civil war was the immediate hindrance to the resumption of Japan–Taiwan relations. Chiang Kai-shek, who had garnered the support of the West, and the U.S. specifically, through military and financial aid to his Kuomintang (KMT) nationalist struggle against the Japanese during WWII, had failed to attain victory against the Mao Tse-tung -led Communists. When the dust settled after Communist victory on mainland China in 1949, both Taiwan and Japan were left in a precarious situation.

[17] "The Cairo Communique," as accessed online on 5 Dec, 2012, at http://www.ndl.go.jp/constitution/e/shiryo/01/002_46/002_46tx.html, 1 December, 1943.

Even after a full-scale retreat to Taiwan, however, Chiang had ambitions of an eventual reinvasion of the mainland. Through an exceptional public-affairs campaign conducted most deftly by his Wellesley-educated, Methodist wife, he surprisingly convinced the U.S. Congress, and later the Eisenhower administration, to support this vision to an extent.[18] As the U.S. position took shape in the midst of larger concerns of post-WWII world order, Japan, as an occupied country, was left with no influence over the political situation between Taiwan and China.

Instead, Japan's efforts were focused inward during a period of internal political disunity. Though the Yoshida doctrine may appear to be strategically clairvoyant in hindsight, it was at the time a middle-of-the-road political compromise, incorporating the focus on rebuilding economic strength desired by the remnants of the *zaibatsu* and economic ministries, allying with the U.S. for security needs to address anti-Communist concerns, and placating pacifists and idealists, who wanted either a strict interpretation of Article 9 of the constitution or a near-total reliance on the United Nations to prevent conflict.

Looking into the mainstream LDP focus of economic recovery and development, a key event occurred in May of 1949 with the establishment of the Ministry of International Trade and Industry (MITI). Chalmers Johnson said it most compellingly, that "the particular speed, form, and consequences of economic growth in Japan are not intelligible without references to the contributions of MITI."[19] In the 1950s, MITI provided the institutional mechanism for aligning Japanese government and private enterprise, which formed the strength of Japanese internal and external economic development and expansion. During the Yoshida government, MITI gained regulatory control over all imports and established the Japan Development Bank, which provided Japanese enterprise with low-cost capital for long-term development. Successive prime ministers after Yoshida, Hatoyama (1954–1956) and Kishi (1956–1960), though greatly supportive of Japanese business, served to consolidate the LDP's power through faction

[18] China: a Century of Revolution, directed by Sue Williams (1989–1997, Boston, MA: Zeitgeist Films, 2007), DVD.

[19] Chalmers Johnson, *MITI and the Japanese Miracle*, (Stanford: Stanford Press, 1982), vii.

building and the signing of the crucial amendment to the U.S.–Japan Security Treaty, albeit through notoriously heavy-handed means. MITI's preeminence was not truly consolidated until the later Ikeda government (1960–1964), which established the framework for heavy industrialization through the development of an overarching industrial policy with private conglomerates, or *keiretsu*, centered on long-term growth strategies based on market share instead of short-term profits. In the decades following WWII, the primary driver of the Japan–Taiwan relationship was Japan's interest in economic recovery, development, and later, regional expansion under the umbrella of U.S. leadership in Cold War power politics. The Yoshida doctrine, also referred to as the "1955 system", would provide the baseline methodology for Japan's new foreign policy and MITI would provide the central bureaucracy for nearly thirty years after WWII.[20]

With U.S. Cold war leadership and the Yoshida doctrine as the two main pillars of foreign policy, Japan would seek to establish a relationship with Taiwan that reflected the deep connection with the people of Taiwan, but focused on mutually beneficial trade. At the same time, Japan attempted to reconcile the ominous reality that there was a separate government in charge of mainland China. To get a sense of the calculus involved for Japan in recognizing the Republic of China (ROC) in Taipei or the People's Republic of China (PRC) in Beijing diplomatically, it is helpful to examine Prime Minister Yoshida's statements on the issue:

> At that time, in the minds of the Japanese officials, they would like to keep a good relationship with Taiwan and further deepen their economic connections. However, Tokyo could not appear to deny Beijing at the same time. The KMT government was initially the enemy of Japan during the Second World War and occupied an important seat at the United Nations, which sent Japanese soldiers and civilians safely back to their homeland at the end of the war. This must not be overlooked when considering Taiwan as the object of making peace, but the United States Senate has concerns about this. Although the relationship with the Mainland China was also important, it was difficult to attain approval for it from the Senate of the United States. Thus, we had to take a stand

[20] Green, *Reluctant*, 11; James McClain, *Japan: A Modern History*, (New York: Norton, 2002), 565–573.

> earlier…. If a choice must be made immediately, Japan had to take the KMT government as the object of making peace with.[21]

Indeed, Yoshida believed that some type of official recognition of mainland China was necessary, but in the end complied with U.S. Secretary of State John Foster Dulles's pressure not to, in favor of seeking a quicker way to establish terms of peace, which was indeed the first order of business for the new Japanese government. What is evident through Yoshida and Dulles's correspondence and other ROC official, and, later, declassified documents, was that there was indeed a schism that had already formed between Japan and the United States in the perception of what should be done in appropriately recognizing the People's Republic of China (PRC) and the ROC.[22]

The onset of the Korean War, however, solidified the U.S. position supporting Taiwan. With Communist China pledging support of the Communist regime in North Korea in October 1950 and the U.S. drawing one of the first lines in the sand of the Cold War in Asia on the Korean peninsula, the second line drawn by the U.S. was in the Taiwan Strait. In 1954–1955 and again in 1958, this line would be tested. While these early tests in the Taiwan Strait were more about China's probing the perimeter of U.S. resolve, it showed how limited Japan was as an independent crisis-management actor in the region, with almost no involvement—as exemplified by its non-interference with the utilization of U.S. military forces based in Japan, such as the U.S. Navy's 7th Fleet. In general, this non-interference would be the guiding principal of Japan's implicit support of U.S. containment policy in Asia from the Korean War, through the Strait crisis, to Vietnam.[23]

Ironically, the solidified U.S. position for Taiwan helped to transform the island into a beacon of post-WWII hope for third-world development in the face of Communist expansion… at least for a while.[24] Taiwan, at the time, was far from an exemplary

[21] Shigeru Yoshida, *The World and Japan*, Tokyo: Bantyou Publishing, 1963, 146.

[22] John Dower, *Embracing Defeat: Japan in the Wake of World War II*, (New York: Norton, 1999), 552.

[23] Gerald Segal, *Defending China*, (Oxford: Oxford University Press, 1985), 115–126.

[24] Akira Iriye, "The United States and Japan in Asia: A Historical Perspective," *The United States, Japan, and Asia: Challenges for U.S. Policy, ed. Gerald Curtis*, (New York: Norton, 1994), 46–48.

political entity, and far from the strong economy and liberal democracy it has become. Under the U.S.-led information campaign initiated in the late 1950s—"Free China"—the KMT regime as the Republic of China (ROC) was fully supported by the U.S. and most Western powers as the rightful government of China; it represented China on the Security Council of the United Nations and at the steering committee of the Bretton Woods convention. The PRC, on the other hand, was left out of the critical post-WWII power structure and had nowhere to turn except to the Soviet Union.[25]

Though Japan had little space to diverge or detract from the U.S. stance in the 1950s, Japan and the U.S. continued to evaluate the recognition of China differently. In October of 1951, Prime Minister Yoshida's chief cabinet secretary, Okazaki Kazuo, expressed his thoughts to Taipei's representative in Tokyo, Tung Hsien-kuang:

> What worries us most is whether signing the bilateral peace treaty with Taiwan would result in hatred towards our country by the Mainland Chinese people. So we try to avoid it. At present, our policy is to bide our time and take no action, at least before the Mainland ratifies the signed peace treaty. We naturally will take full account of this, and choose which one of the Chinese governments to sign a treaty with, when our country achieves independence and sovereignty. We highly respect the Nationalist government. However, it is a pity that the territory of the Nationalist government only covers Taiwan. [26]

Japan, however, signed the Peace Treaty of San Francisco in September 1951, which took effect on April 28, 1952, officially ending the war with Japan for most of the allies. China, whether the PRC or ROC, was neither represented nor a signatory to the treaty, but seven hours prior to the treaty's taking effect, Japan and the Republic of China (ROC) signed their own bilateral peace treaty. The terms of this were especially favorable for Japan, considering Taiwan's potential claims regarding Japan's wartime exploitation of Taiwan. In explaining this, Chiang Kai-shek responded:

> Of course (the terms are) generous, because the relations between Japan and the ROC are different from those of others. The ROC does not want to put a harsh treaty upon Japan at all…. The relationship of Japan and the

[25] Central Intelligence Agency, Video: *Taiwan: The Face of Free China*, 1960, Accessed online at: http://www.youtube.com/watch?v=61HiUKlbMpw, 10 April 2013.

[26] Chen Fenglin, "Several key issues related to Taiwan in the Sino-Japanese relationship," *China-Taiwan Relations in a Global Context*, ed. George Wei, (New York: Routledge, 2012), 75–79.

> ROC is special and totally different from that of Japan and other members of the Allies. The Republic of China was not involved in, nor a signatory to, the San Francisco Treaty, but that makes it more meaningful to conclude such a bilateral treaty.[27]

Chiang's statements mask the true desperation he found himself in following defeat and retreat, and the constraints that both Japan and Taiwan were under during this critical period. In the case of Japan, Yoshida's foresight regarding the necessity of recognizing the PRC is a key example of how Japanese perspectives can diverge from the U.S. because of historical issues and sheer geographical necessity. Indeed, Secretary Dulles had devoted much of 1951 to ensuring that Japan and Taiwan stepped in line with the principal policy of containment against Communism, just as the Cold War was turning hot in Asia. This immediate post-WWII period from 1945–1952 could be considered an anomaly in how nations relate, as the world order was polarized and in transformation at the same time. Japan–Taiwan relations during this period of time could serve as a case study of how weak states interact and conform to the policies of stronger states out of immediate necessity; but while both Taiwan and Japan made concessions to this aim, it certainly did not hurt that a strong Japan-Taiwan relationship was in both nations' long-term strategic interests.[28]

3. Reconciling with Two Chinas

The mid-1960s, however, was a tumultuous time in the Japan–Taiwan–U.S. triangular relationship. Japan and Taiwan scholar Douglas Mendel put this timeframe into context, commenting in 1968:

> More than other nations, Japan needs and wants trade and peaceful relations with the two Chinas…. Most Japanese regard the mainland as the "real" China and, like Americans are far more interested in it than in Formosa. Unlike so many of their counterparts in the United States, however, Japanese intellectuals believe that satisfactory solution to the China problem will require prior settlement of the status of Formosa.[29]

[27] Ibid, 78.

[28] Ibid, 77–79.

[29] Douglas Mendel, *The Politics of Formosan Nationalism*, (Berkley: University of California Press, 1970), 196–197.

In the midst of Japan's formal acquiescence to U.S. leadership in this period, a subtext in Japan's foreign relations was formed. Specifically, this subtle and largely unofficial policy was manifested as Japan's pragmatic philosophy of separating economics from politics, which was extremely useful in relations with the PRC, and later with the ROC.

Looking at the origins of this new pragmatism within the Japanese political structure, the separation of economics from international politics coalesced during Prime Minister Ikeda's term and came to national prominence during Prime Minister Sato's leadership, from 1964–1972. To this point, Prime Minister Sato commented in 1965:

> China is important, and the Nationalist government is also important. The Nationalist government is a permanent member of the United Nations even though it is small. For the sake of international good faith, we should not ignore that and must stand by this point. The exchange of goods and people with Japan and Mainland China is just an exchange.[30]

By 1963, Japan-PRC trade totaled over $80 million as part of a larger five-year $400-million trade agreement. Within that agreement, the Japanese government approved the export and construction of a $20 million vinylon plant to China on deferred payment terms. Taipei protested on the grounds that the deferred terms of finance amounted to government-supported credit to Communist China.[31] Prime Minister Ikeda furthered the perceived gaffe politically in 1963, when he was quoted in the Japanese press as saying the Nationalistic counterattack on the mainland was a "rumor…perhaps a dream."[32] Even more surprising were comments in 1963 from former Prime Minister Kishi Nobusuke, who typically represented the conservative "Taiwan lobby" of the Liberal Democratic Party (LDP), but went off script in an interview with Douglas Mendel, saying:

> Both Chinese regimes insist there's only one China, but this causes a constant war threat in the Taiwan Straits. Historically and racially, Taiwanese differ from mainland people and have no interest in the mainlanders' urge to return…. Do you realize there are 80 percent *natives* on that island and only 2 million mainlanders? Imagine! We should ask

30 Chen, "Taiwan and...," 80.

31 Douglas Mendel, "Japan's Taiwan Tangle," *Asian Survey*, Vol 4, No 10 (Oct 1964), 1073–1075.

32 Ibid, 1075.

> those natives—they'd prefer their own regime and may rise up after Chiang dies. Taiwanese like us better than the Koreans do, but not just because our prewar rule was better on Taiwan: they have different personalities completely.[33]

Foreign Minister Ohira was more diplomatic, but equally telling in choosing his words on the issue, saying, "we cannot say anything about Taiwan's future pending world developments…Japan hasn't the power to settle such an issue which only America and Russia can influence, so we must await the great powers' actions and reduction of tensions.[34]

Still unable to independently address the reality of the cross-Strait situation in the 1960s, Japan forged ahead to pursue mutual interests through trade with Taiwan. For Japan, in fact, trade from 1952–1962 continued to be significantly more profitable with Taiwan than the PRC. In 1962, Japanese exports to Taiwan totaled $118 million, compared to $38 million to the mainland. During the 1950s–1960s, Japan was Taiwan's most important trade partner by a significant margin, second only to the United States in FDI and aid to Taiwan during the same period. During these crucial decades, Japan imported vast amounts of agricultural products from Taiwan, including rice and sugar, of which Taiwan was a net producer. Japan, on the other hand, exported industrial items, which assisted in Taiwan's overall industrialization as inputs to productions and as technology transferred. There was also a sense of mutual appreciation for the struggle to develop economically, as the "hard workers" of Asia. By 1966, Taiwan was generally touted as having the second-highest living standard in Asia, behind Japan. While the U.S. used this assertion as an element of an information campaign against China and the Nationalist regime used it as proof of effective land-reform and good governance, the Taiwanese generally pointed to the material and institutional contributions of Japan during the colonial period and the shared work ethic exemplified in post-WWII Japan.[35]

Official Japan–ROC relations likely reached its peak during this period, as Taiwan admired Japan's economic success and saw the benefit of a more assertive and

[33] Ibid, 1077.

[34] Ibid, 1076–7.

[35] Mendel, *The Politics of*…64–88.

independent Japan as an ally. President Chiang even encouraged Prime Minister Sato to enhance Japan's own defense capabilities as its security interests "were not always aligned with the U.S.," but more importantly, Chiang wanted Japanese support for a reinvasion of the mainland.[36] This course of action was neither appealing nor possible for the Japanese in the 1960s, but as was noted previously, the Japanese would not let a difficult political situation get in the way of trade, and thus, Taiwan–Japan relations continued in this manner until a series of events that would turn the relationship and region upside down.[37]

4. Growing Disillusion with the KMT

The various statements from Japanese political leadership during this period are significant as some veer beyond the typical *tatemae* (outside voice) statements expected in Japanese foreign relations, showing that Japan's leadership continued to struggle with the cross-Strait situation, hoping that strong leadership from the United States would address the reality of the situation. The decidedly more independent tone also reflected the growing confidence enabled by the growth of the Japanese economy in this era, labeled the "golden sixties" by Japanese economists.[38] The year 1964 also marked a significant national accomplishment and new international respect for the Japanese, with the successful hosting of the Tokyo Olympics and the general acknowledgement on the international stage of the progress Japan had made in two short decades. During this time, the United States was preoccupied first with the Cold War on the European front, and second, by the growing conflict in Vietnam. While the developing Japan–KMT row was not helpful, it was an acceptable annoyance as long as Japan continued full support of U.S. basing as America ramped up for another war in Asia. When Prime Minister Sato visited America in January 1965, only months after President John F. Kennedy's death, his comments shed light on this growing rift, and suggest that Japan was attempting to pursue a policy of "two Chinas." Sato reportedly told President Lyndon B. Johnson,

[36] Chen, "Taiwan and…," 86–7.

[37] Ibid.

[38] Johnson, *MITI and…*, 211.

> Japan will maintain normal diplomatic relations with the Nationalist government of Taiwan. But, it is impossible for Japan to thoroughly refuse contact with Mainland China because of the historical, geographic, and ethnic relations. We can make unofficial contact based on the principle of "separating economics from politics." Overall, it is in line with Japan's interests as long as we can make contact freely in the future.[39]

Sato was not alone in this sentiment. Looking at a wider swath of opinions within the Japanese government, a survey taken in December 1962 showed that most Diet members across party lines and demographic groups favored independence for Taiwan (33 percent) over allowing Beijing to take control of the island (6 percent) or maintain the status quo (20 percent); 41 percent were unsure. Likewise, a Japanese public-opinion survey conducted at the same time regarding diplomatic recognition of the PRC indicates that the Japanese public, across demographic groups, favored diplomatic recognition for the PRC (42 percent), over the status quo (18 percent); 40 percent were unsure. Both surveys indicate that the "two Chinas" position Sato implied was backed by broad political and public support at the time, but the reality remained that Japan wanted the U.S. to take the lead on the issue. [40]

In November 1969, President Richard Nixon and Prime Minister Sato would issue a joint statement during Sato's visit to Washington. The joint statement is an intriguing mechanism in international relations, as it is intended to communicate a shared interest between two countries, but has no bearing on policy development in either country. It is not a binding international agreement, and yet it is still somehow viewed as significant. In the case of Sato and Nixon, the focus of the statement was on the value of the Treaty of Mutual Cooperation and Security, affirming their intention to maintain the treaty "on the basis of mutual trust and common evaluation of the international situation."[41] The timeframe was significant in that, in 1970, either nation could unilaterally abandon the security treaty, provided they gave advance notification. The focus on Taiwan in the joint statement was also interesting. Nixon stated that the U.S. would "uphold its treaty

[39] Chen, "Taiwan and…," 80.

40 Central Research Service Survey, December 1962, for Mendel, as reported in "Japan's Taiwan Tangle," 1080.

41 "Joint Statement by President Nixon and Prime Minister Eisaku Sato," Washington D.C., 21st November, 1969, as accessed on online at http:www.niraikanai.wwma.net/pages/archive/sato69.html, 11.

obligations to Taiwan" and Sato responded that the "maintenance of peace and security in the Taiwan area was also important for the peace and security of Japan."[42] In hindsight, after the strategic sea change that was to take place shortly after the joint communiqué, this was a missed opportunity for true alignment between allies on a key policy shift. Also easier viewed in hindsight is the reality that Nixon had already signaled that he was open to rapprochement with the PRC before his election in 1968, and nearly a decade after the Sino–Soviet split, Mao was evaluating his options as well.[43]

5. The Sino–Soviet Split

By the late-1960s, the realization of the Sino–Soviet split was forcing the U.S. and its allies to begin to reevaluate their stance on the PRC within the Cold War context. For Japan, the Sino–Soviet split was less surprising than the manner in which the U.S. handled the split and rapprochement thereafter. The Japanese government, from Yoshida on, had evaluated Communist control of the mainland as a reality that must be acknowledged, regardless of ideology, and struggled with the U.S. interpretation of China in the Cold War paradigm. As such, Nixon's unilateral negotiation with the PRC was especially painful for Japanese leaders to reconcile. In reading the declassified transcripts of Nixon and Kissinger's secret negotiations with Chairman Mao and Prime Minister Zhou, two fundamental issues stand out. After collaboration against the Soviet Union, resolving the issue of Taiwan was the PRC's primary interest. Second, the PRC's concern over Japan's regional ambitions was clear. Specifically, the PRC was concerned about Japan's potential intervention in Taiwan or Korea. Both Kissinger and Nixon talked with ease to Mao and Premier Zhou about misunderstandings between Japan and the U.S., even mentioning that Prime Minster Sato wanted U.S. forces to leave Japan, and that the U.S. remained in Japan "not to defend her, but to prevent her from a return to militarism." Though the Japanese did not have access to these discussions until much later, the manner in which the U.S. dealt with China sent clear signals of mistrust to the Japanese,

42 Ibid.

43 Richard Nixon, "Asia After Vietnam," Foreign Affairs, October 1967, as accessed online at the Nixon Presidential Library, http://millercenter.org/president/nixon/essays/biography/5, 26 Mar 2013.

and would force the Japanese to reevaluate its own strategy with regard to China and Taiwan.[44]

6. Conclusion (1945–1972)

The post-WWII period and first decades of the Cold War made for a complex time in Asia. In addition to major strategic shifts, such as the Sino–Soviet split, and regional wars such as Korea and Vietnam, which involved the U.S. directly and Japan indirectly, crisis in the Taiwan Strait came to a head on multiple occasions. Despite having little room within this environment to develop truly independent relations, Japan and Taiwan managed to deal with post-war realities and move on to productive trade and exchange. In Taiwan, the repressive rule by KMT generalissimo Chiang Kai-shek was generally perceived by Taiwan residents as worse than previous Japanese colonial leadership. Many Taiwanese scholars, in fact, continue to credit the residual functionality of Japanese colonial institutions and material infrastructure as the foundation for Taiwan's economic growth. Though Japan was much further down the road towards a developmental state than Taiwan by the end of this period, the post-war trade relationship with Japan functioned as both stimulus and fuel for diversified development of Taiwan's economy. All considered, the relationship was mutually beneficial to Japan and Taiwan throughout this period.

In terms of national interests and foreign-policy objectives, Japan's most immediate post-WWII national interests were to establish peace with the victors of WWII. The Chinese Civil War and the U.S. reaction to Communist control of China greatly complicated this effort, and restricted any development of an independent foreign policy towards China or Taiwan. Nonetheless, in 1952 separate peace treaties with the allies and the ROC were signed, with the ratification of the former being very much contingent on the latter.[45] In recognition of these constraints, separating economics from politics in the post-WWII Cold War environment was the major foreign policy method

[44] "Memorandum of Conversation, 24 February 1972, 5:15pm–8:05pm," National Archives, Nixon Presidential Materials Project, as accessed online 08 Dec 2012 at http:www.gwu.edu/~nsarchiv/NSAEBB106/index.htm, posted 11 December, 2003.

[45] Dower, 552–553.

used by Japan. As such, economic interests in Taiwan remained primary throughout this period. Japan, which continues to import a majority of its food products, relied heavily on Taiwan for basic agricultural products during this period, while focusing its own economic development on higher technology/industrial outputs. Taiwan, in turn, imported Japanese industrial products and inputs to effectively stimulate its own industrialization. Though at various times in this period Taiwan sought more from Japan than a pragmatic trade relationship, Japan was simply not prepared to venture independently into the balance-of-power or crisis-management realm for Taiwan.

Comparing Japan's interests with U.S. interests in Taiwan during this period, more than converging, the U.S. and Japan's interests complemented each other—with the U.S. taking the clear lead in balance-of-power politics and crisis management and Japan providing the engine for economic growth domestically and regionally to limit the spread of communism. By 1967, however, Japan's exports to the United Sates exceeded imports for the first time, and to a certain extent, economic competition between the U.S. and Japan began to appear in Taiwan as well. The sudden realization of Japan's relative economic strength engendered private and government concern in the U.S. as Nixon came to office in 1968. Thus, while Japan's overall economic interests and specific interests in Taiwan converged with those of the U.S. at the beginning of this period, by the end of this period they were diverging. In the balance of power realm, as U.S. rapprochement with the PRC became apparent, it is telling that Chiang Kai-shek reached out to the Japanese for an impossible security guarantee shortly before the Nixon administration began its exit strategy from its alliance with the ROC on Taiwan, and in the process undermined the U.S.–Japan alliance to gain favor with the PRC for normalization.[46] Just as the U.S. and Japan had almost totally reversed roles from the pre-WWII period, when Japan was the power involved in a wide array of political and military action in the region and the U.S. was primarily concerned with trade, the potential for further paradigm shifts among Japanese and U.S. interests vis-à-vis Taiwan also remained.

[46]Chen, "Taiwan and…," 87.

C. POST- FORMAL TIES (1972–1996)

Though Japan was indeed shocked by the manner of U.S. diplomatic reversal from the ROC to the PRC, and the floating of exchange rates that would greatly affect the value of the Yen—the "Nixon shocks"—unlike its stance in the immediate post-WWII environment, it would not sit idly and wait for U.S. leadership to determine key elements of its foreign policy. Newly elected Prime Minister Tanaka swiftly forged consensus among the primary LDP factions in the first months of his premiership and successfully normalized diplomatic relations with the PRC in September 1972, more than six years before the U.S. completed negotiations with the PRC for diplomatic recognition. During this period of general reevaluation of foreign policy in Japan, one significant discovery was that the crisis- management system, which was abruptly exposed as overly reliant on the U.S., would require major restructuring. While MOFA and its proxies had some initial success in reorienting Japan diplomatically to the PRC and salvaging a pragmatic unofficial relationship with Taiwan, this period highlighted how both internal and external pressures forced major structural changes in the crisis management system by the late 1990s.[47]

1. What is Crisis Management?

Before examining the extraordinary events of this period, it is helpful to have a working definition of what a foreign-policy crisis entails, and further, an understanding of who and what institutions have a stake in crisis management in Japan. For the purposes of this thesis, Jonathon Wilkenfeld's definition will be used. He defines a foreign-policy crisis as, "a crisis for an individual state… deriving from a change in the state's internal or external environment: (1) a threat to one or more basic values, (2) an awareness of finite time for response to the value threat, and (3) a heightened probability of

47 Richard Bush, *The Perils of Proximity: China-Japan Security Relations*, (Washington D.C.: Brookings, 2010), 233–237; Kamiya Matake, Japanese Politics and Asian Policy, *The Golden Age of the U.S.-China-Japan Triangle, 1972–1989*, Ezra Vogel, Yuan Ming, and Akihiko Tanaka, ed., (Cambridge: Harvard Asia Center, 2002), 26–27.

involvement in military hostilities." Wilkenfeld adds that all three must be perceived at the highest levels of leadership.[48]

In the case of Japan's perception of the "Nixon shocks", while U.S. rapprochement with the PRC was not specifically threatening Japan's basic values, many Japanese felt that Japan's primary interests as defined in Yoshida's "1955 system" were directly threatened by the possibility of the dissolution of the U.S.–Japanese security treaty and potentially adversarial economic relations with the U.S. With regard to the second criterion, time was of the essence for diplomatic triage in the post- "Nixon-shock" era, and Japan responded surprisingly swiftly. Finally, the third criterion—military hostility as a direct result of the U.S.–PRC rapprochement—was not an immediate concern, but Japan's relative weakness in East Asia would be punctuated in this era as the durability of the U.S.–Japanese security treaty was tested. Japanese historian Ogata Sadako puts this concern in perspective:

> No American action left a more profound impact on Japanese foreign policy in the postwar period than the unilateral decision by President Nixon to go to Beijing to seek rapprochement. The impact went far beyond the immediate reaction of sourness or of rushing to move ahead of the United States. It changed the meaning of the U.S.-Japan Security Treaty and forthwith the alliance itself.[49]

In essence, though this was not a crisis by strict definition, Japan's foreign-policy actors went into crisis mode, and thus, this period (1972–1996), more so than others in this thesis, offers an opportunity to examine how Japan's crisis-management actors had to compete for prominence within the larger mechanism of Japan's foreign policy in the execution of Japanese national interests.[50]

[48] Jonathon Wilkenfeld, "Concepts and Methods in the study of International Crisis Management," Michael Swaine, ed., *Managing Sino-American Crises,* (Washington D.C.: Carnegie Endowment, 2006), 104.

[49] Kenneth Pyle, *Japan Rising; the Resurgence of Japanese Power and Purpose,* (New York: Public Affairs, 2007), 320*;*

[50] Michel Oksenberg, "U.S. Politics and Asian Policy," *The Golden Age of the U.S.-China-Japan Triangle, 1972–1989,* Ezra Vogel, Yuan Ming, and Akihiko Tanaka, ed., (Cambridge: Harvard Asia Center, 2002), 26–27.

The Ministry of Foreign Affairs (MOFA) is the primary ministry responsible for foreign policy, and explicitly responsible for foreign-policy crisis prevention, aversion, and management. Though the authorities for certain tools of crisis prevention often reside in other ministries, such as foreign aid, foreign direct investment, security assistance, defense engagements etc., MOFA is the executive agent, which coordinates the government of Japan's overall response to a crisis. With specific regard to diplomatic crisis with Taiwan, MOFA established a non-governmental proxy—the Interchange Association Japan (IAJ)—to manage its interaction with Taiwan after 1972. In addition to the main players, other governmental subsidiary elements such as the Japan External Trade Organization (JETRO), established in 1958, and Japan International Cooperation Agency (JICA), established in 1974, played significant roles in crisis management and prevention through favorable trade agreements and incentives with external trade partners or as the distributors of foreign aid, respectively. Both have also had substantial, though largely unpublicized, interactions with Taiwan. Rounding out the range of crisis-management actors, the Japan Defense Agency (JDA), although the sole provider of any security assistance involving the Japan Self Defense Forces (SDF), was the least prominent actor, until certain external and domestic events towards the end of this period occurred, which began the JDA and SDF transformation, along with that of other national-level crisis management actors.

Looking at MOFA's primary reactions to the "Nixon shocks", the first priority was to normalize relations with the PRC. Though Japan's mainstream LDP leadership, even as far back as Prime Minister Yoshida, had advocated normalization of relations with the PRC after it was generally acknowledged that the PRC was in control and governing mainland China, a strong Taiwan lobby remained within conservative factions of the LDP. Though diplomatic relations with the PRC were established quickly, it was imperative that the Taiwan lobby within the Diet be placated to a certain extent, and this was reflected in the manner in which Japan conducted careful diplomacy with the PRC in the process of normalization.

Japan's initial diplomatic engagement of the PRC is often misinterpreted to simply mirror the language of the U.S.–PRC's Shanghai Communiqué (1972) regarding

Taiwan. The PRC–Japanese Communiqué of 1972, however, uses significantly different diplomatic language from the U.S.–PRC Communiqué. In essence, Japan's communiqué emphasizes that Japan respects and understands the PRC position on Taiwan as "an inalienable part of China," but never acknowledges or agrees to that interpretation, saying instead, "Japan maintains its stand under Article 8 of the Potsdam Proclamation."[51] The Shanghai Communiqué, on the other hand, states that the U.S. "acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China. The United States Government does not challenge that position."[52] Though the U.S. Congress counteracted the favorable language used in the Shanghai Communiqué by passing the Taiwan Relations Act of 1979, essentially guaranteeing Taiwan's security, it can be argued that Japan initially held a stronger diplomatic stance against the PRC with regards to Taiwan. While it was clear that both the Japanese government and public desired a normalization of diplomatic relations with the PRC mainly to facilitate stable trade relations, it was just as clear that Japan did not support Beijing's claim to Taiwan.[53]

It took an additional six years to complete terms for the actual peace treaty, which came into effect under the leadership of Deng Xiaoping and Prime Minister Fukuda, but, unlike the U.S.–PRC communiqués of 1979 and 1982, the Japan–PRC Treaty of Peace and Friendship makes no mention of Taiwan and includes no restrictive judgment on relations with other countries. The U.S. communiqués of 1979 and 1982, however, edge even closer towards complete adherence to the PRC's position on Taiwan, and go as far to say outright that "The Government of the United States of America acknowledges the Chinese position that there is but one China and Taiwan is part of China."[54] In essence, after eight years of intensive diplomacy led by two of the U.S.'s most recognized

51 "Joint Communique of the Government of Japan and the Government of the People's Republic of China," September 29, 1972, accessed online http://www.mofa.go.jp/region/asia-paci/china/joint72.html, 9 Dec 2012.

52 "Joint Communique of the United States of America and the People's Republic of China," February 28, 1972, accessed online at http://www.taiwandocuments.org/communique01.htm, 9 Dec 2012.

53 Douglas Mendel, "Japanese Public Views on Taiwan's Future," *Asian Survey*, Vol. 15, No.3 (Mar., 1975), 215.

54 "Joint Communique of the United States of America and the People's Republic of China," January 1, 1979, accessed online athttp://www.taiwandocuments.org/communique02.htm, 9 Dec 2012.

strategists and diplomats—Kissinger and Brzezinski—it was the skilled diplomats of Japan's Foreign Ministry that would end up with more advantageous terms regarding its undefined stance on Taiwan.

2. *De Facto* Arrangements

Moving back to Japan and Taiwan's effort to salvage an unofficial, yet functional relationship, the establishment of the IAJ was crucial. IAJ is roughly equivalent to the American Institute in Taipei (AIT), which has served as the *de facto* U.S. Embassy to Taiwan since 1979, but with certain distinctions. It is important to note that in some sense, the AIT was modeled after Japan's IAJ, which was established in December 1972, more than six years before the AIT. In many references, "the Japanese model" of maintenance of unofficial relations with Taiwan was recommended for the U.S. as essentially the 80 percent solution. When founded, the IAJ was charted as a nonprofit organization with a legal precedent, but a "special character," to maintain the substantial trade and cultural interaction between Japan and Taiwan, while supporting Japanese private citizens' needs for consular services and the facilitation of private enterprise. Additionally, IAJ was tasked to maintain and promote a functional working relationship for technical exchange and developmental assistance. While national laws concerning the establishment and maintenance of IAJ as an NPO serving the public good are in effect and have been updated as recently as 2012, what is missing from the Japanese model is a legislative mandate like the Taiwan Relations Act of 1979, passed by the U.S. Congress, which clearly goes beyond the realm of facilitating trade and exchange to implicitly guarantee the security of Taiwan. Clearly, any action by Japan to support Taiwan's security in the 1970s, would have been a red line for the PRC. In Japan, any diplomatic, political, or security relationship with Taiwan beyond what the U.S. could undersign was seen as a bridge too far even. for the most conservative voices in the Taiwanese lobby.[55]

Interestingly enough, the IAJ asserted in the mid-1970s that the economic relationship with Taiwan continued to grow significantly, but it was not given press

[55] "History of the Interchange Association Japan," IAJ official website (in Japanese), accessed online at http://www.koryu.or.jp/ on Mar 13, 2013.

coverage due to PRC pressure. By 1974, the shift in attention away from Taiwan was already taking effect on public opinion. In comparison to 1970, when 54 percent of respondents across demographic lines supported non-Communist control of Taiwan (either Taiwanese independence or nationalist rule), in 1974 only 30 percent supported non-Communist control. However, most of the respondents shifted into the "don't know" category, with only a 3 percent increase (from 5 percent to 8 percent) in support of Communist control of Taiwan. Remarkably, in the same survey, respondents were asked if they supported U.S. bases in Japan, and in all three categories (pro-Taiwanese independence, pro-KMT, pro-Communist) respondents displayed an anti-U.S. base majority (69 percent, 59 percent, and 79 percent, respectively), with the pro-KMT respondents showing the least "anti-U.S. basing" sentiment. The most notable result across all spectrums of all public-opinion surveys taken in 1974, however, was that the Japanese public still favored non-Communist control of Taiwan.[56]

3. The Golden Age of U.S.–China–Japan Relations

By the late 1970s, as Deng Xiaoping took the helm of the Chinese Communist Party and begin to push an "economic reform and opening" agenda, Japan was entering the height of its economic strength. The convergence of Japan's maximized industrial capacity with China's potential input to the supply chain and as a consumer market was suddenly the most important dynamic of the newly solidified bilateral relationship. Despite powerful Taiwan factions within the LDP and continued public support for a non-Communist solution for Taiwan, the Japanese economic juggernaut turned its attention away from Taiwan. While private enterprises would continue to forge lucrative and mutually beneficial relations with Taiwan during this period, the raw market of the PRC was the larger prize.

The oil shock in 1973 had wide-ranging implications for Japan's economy and coincided with a necessary shift in industrial policy, which had been overly reliant on energy imports. Increased trade with China was beneficial in this respect, as Japan typically exported construction material, industrial inputs, technology, and machine parts

[56] Mendel, *Formosan*, 217.

in exchange for raw materials, especially coal and crude oil. By 1978, a significant long-term trade deal with the PRC was signed, which aimed to increase trade to $20 billion by 1985. Though that was an overly ambitious mark initially, by 1990 trade between the PRC and Taiwan was just over $18 billion, by 1995 trade was $57.9 billion, by 2000, $85.5 billion, and by 2005, $267 billion. Essentially, the volume of trade had increased fifteen-fold in fifteen years. Similarly, foreign direct investment (FDI) would grow from $1.8 billion in 1990 to $36.3 billion in 2005, more than a twenty-fold increase.[57]

In the midst of this staggering level of growth in bilateral trade and investment with the PRC, it is understandable that the interaction with Taiwan would be very much out of public view and of little precedence to the mainstream power structure in Japan. Surprisingly, the Japan–Taiwan relationship persisted and even grew significantly under principles of mutual benefit, pragmatism, and continued cultural affinity. Taiwan remained one of Japan's top three partners in overall trade in this period, and Japanese private enterprise continued to invest in Taiwan's growth as a market and supplier of key industrial and technology production inputs. One initiative that sprang out of this period of great regional economic growth and increasing liberalization was the Pacific Economic Cooperation Conference (PECC). PECC was founded in 1980 by prime ministers Ohira of Japan and Peck of Australia, and became one of the first successful multilateral consultative bodies that combined academic, private-sector, and official government representation for the purpose of developing initiatives for maximizing competitive advantage and increasing free trade. Both Taiwan and the PRC became full members of what was one of the first attempts at a Pan-Asian–Pacific trade block. Though PECC has been overshadowed by other more prominent multilateral organizations in the Asian Pacific, it is one of the few that still incorporates Taiwan (now as "Chinese Taipei"), and remains an example of how Japan played a role in keeping Taiwan included in regional development and prosperity, even as the main focus became the lucrative trade with the PRC. Additionally, after the Plaza Accord in 1985, which

57 Bush, *Perils*, 16.

greatly appreciated the Yen and made extra-regional trade substantially less profitable, it was in Japan's interests to examine prospects for growing Pan-Asian prosperity.[58]

The golden age of U.S.–China–Japan relations that began in 1972 expired abruptly in 1989. While it was primarily Deng's "economic reform and opening" policy that ushered in this anomalous period of shared strategic interests, mutual growth, and functional bilateral ties—U.S.–Chinese and Chinese–Japanese—the same policy soon proved unwieldy, as evidenced by the China-wide chaotic student demonstrations from April to June and the violent 4 June crackdown in Tiananmen Square. Beyond Tiananmen, another more significant area of strategic realignment was afoot in 1989, with the end of the Cold War and dissolution of the Soviet Union, which was the primary shared concern of the U.S., Japan, over more than two decades of cooperation. Suddenly, after the massacre at Tiananmen, the fundamental basis for cooperation seemed illusory.[59]

Although Japan would eventually bandwagon with Western-sponsored economic sanctions of China, Japanese companies maintained a pragmatic approach post-Tiananmen, and many took it as an opportunity to invest further where others would not go. The increasingly powerful *Keidanren* (The Japanese Federation of Business), in turn, continued to lobby the Diet for a reduction in sanction and an easing of restrictions in trade. By 1992, diplomatic momentum built from a deliberate effort by China towards diplomatic progress with Japan post-Tiananmen led to two key visits: President Jiang Zemin to Tokyo, and Emperor Akihito to Beijing. Though Japan had hopes of resolving the lingering hostilities of World War II, both visits would fall far short of that goal. Though economic relations with China would continue to grow at a breakneck pace, developments in the political and security realms in the mid-1990s would greatly complicate Japan's foreign-policy objectives and propel Japan into a reinvigorated examination of its balance-of-power interests, especially related to Taiwan.

[58] Sydney Giffard, *Japan Among the Powers (1890–1990),* (New Haven: Yale University Press, 1994), 187.

[59] Vogel, "Introduction," *Golden Age,* 8–9; Bush, *Perils,* 13–18.

4. The End of the "1955 System"

While the revision of the U.S.–Japan security treaty in 1960 and the reversion of Okinawa to Japan in 1972 should be noted as key achievements towards the resumption of Japan's sovereignty in the security realm, Japan had not been forced to venture into the balance-of-power game in East Asia outside of the auspices of the U.S.–Japanese alliance in the post-WWII period. In 1986, noting the strategic shifts of the Sino-Soviet split, U.S.–Chinese rapprochement, the implausibility of the longevity of the "1955 system," and the overall loss of equilibrium in Asia, Hisahiko Okazaki attempted re-defining Japan's role in balance of power in his work, *A Grand Strategy for Japanese Defense*. Okazaki's thesis, though written before the Tiananmen Square incident and the end of the Cold War, essentially advocates an independent defense-minded Japan as a more equal partner of a stronger U.S.–Japanese alliance.[60]

Additionally, Okazaki correctly noted that Japan's attempts to regain trust in the region and the world, strictly through economic engagement, would fall short. His argument, based on a realist assessment of the balance of power in Asia and beyond, proved especially relevant after the Gulf War, when Japan, though the primary donor of financial support to the coalition ($13 billion), was heavily criticized for not being capable of providing troops to support even peacekeeping operations. By 1992, this discussion had forced a consensus for Japan's supporting U.N. peacekeeping operations. By 1993–1994, tensions on the Korean Peninsula brought this argument even closer to home for Japanese lawmakers and public, though in discussions with U.S. defense officials, Japanese authorities within the Japan Defense Agency (JDA) still cited legal and policy restrictions on "rear-area" support of a Korean contingency. In 1995, the domestic limitations of the self-defense force were brought to the fore during the slow and confused response to the Great Hanshin Earthquake of 1995. Japan's net assessment of the strategic, regional, and domestic developments of the late 1980s and 1990s was that Japan had no strategy for its own defense, had an undefined and severely restricted role even within the U.S.–Japan alliance, and could not deal with crisis effectively. While

60 Hisahiko Okazaki, *A Grand Strategy for Japanese Defense*, (Lanham: Abt, 1986), 101–113.

Taiwan had not factored prominently in these discussions, in 1995–1996, potential crisis in the Taiwan Strait would initiate a paradigm shift encouraging the Japanese to resolve systemic problems in their domestic and external crisis-management system and formulate a long-term strategy for protecting national interests in the regional balance of power, specifically with regard to Taiwan.[61]

5. A Personal and Ideological Bridge with Taiwan

Internal political dynamics in Taiwan during this period were significant as well. Due to loss of credibility and diplomatic isolation during the final years of Chiang Kai-shek's life, and the response to a rising middle class by President Chiang Ching-kuo, Taiwan was propelled on to the path of democratic development. Democracy was clearly in the interests of the people of Taiwan, and it also allowed for more meaningful interaction between Japan and Taiwan. The impact of Taiwan president Lee Teng-hui's efforts during this era to usher in democracy in Taiwan and to deepen the *de facto* relationship with Japan cannot be over-stressed. Lee grew up in the era of Japanese colonial rule in Taiwan, attended Japanese schools, studied in Kyoto, speaks fluent Japanese, and volunteered for service in the Japanese Imperial Army during WWII. Despite his obvious respect for Japanese culture, learning, and institutionalism, Lee was unmistakably Taiwanese; more than establishing a stronger link between Japan and Taiwan, Lee's legacy centers around Taiwan's own identity.

As his political career took shape, Lee made the decision to join the KMT, as he realistically assessed that the only way to make democratic progress was from the inside of the power structure. Lee's charisma, political skill, and diligent effort gradually gained the trust of KMT leaders, including the generalissimo's son and president, Chiang Ching-kuo. As his vice president from 1984–1988, Lee convinced Chiang to lift martial law in 1986 and allow the Democratic Progressive Party (DPP) to develop, and Lee was the first ROC official to address some tragic episodes of the KMT governance of Taiwan, such as

61 Hiroshi Nakanishi, "The Gulf War and Japanese Diplomacy," *Nippon.com Feature*, accessed online at www.nippon.com/en/features/c00202/, 02 April 2013; Bush, *Perils*, 234.

the "228 Incident." Above all else, Lee's most impressive feat was guiding the peaceful transformation of a Leninist party-state system into a full-fledged democracy by 1996.[62]

Though the democratization of Taiwan was Lee's central thrust, his reevaluation of the ROC's foreign policy was important as well, as even *de facto* sovereignty would require the support of key foreign partners. Through the 1950s and 1960s, Taiwan's foreign policy was based on three pillars: (1) friendship with the U.S., (2) friendship with Japan, and (3) a U.N. Security Council seat. Though it had lost representation on the U.N. and in most international organizations, Taiwan still sought to maximize its relationships with the U.S. and Japan.[63] Lee's foreign-policy strategy can be divided into three main categories: (1) crucial bilateral relations, (2) representation in multilateral non-governmental organizations, and (3) cross-Strait relations. The typical narrative of Lee's legacy is that the accomplishments in the first two categories were negated by the tensions in the last.

Despite Lee's clear respect for Japanese culture and a favorable view of the legacy of Japanese institutionalism and modernity in Taiwan, Lee's initial public statements towards Japan as a partner in foreign affairs were surprisingly stale. In an interview with the *Asahi Shimbun* just before his inauguration in May of 1996, when asked about the future relationship between Japan and Taiwan, Lee said, "I understand Japan to a certain extent, whereas Japan lacks knowledge about Taiwan. Japan needs to carry out more cultural and personnel exchange programs like it conducts with the United States. High-level exchange programs also need to be promoted."[64] On the U.S.–Japanese security alliance, Lee was even more restrained, saying only, "it would be better not to comment on what I think about it, but it is contributing to the East Asian stability."[65] These statements seem to reflect Lee's intimate understanding of the *tatemae* (outside

[62] Chin-min Chao and Bruce Dickson, "Assessing the Lee Teng-hui Legacy," *Assessing the Lee Teng-hui Legacy in Taiwan's Politics*: *Democratic Consolidation and External Relations,* (New York: East Gate, 2002.) 3–18.

[63] Ibid, 66, 179.

[64] Hideto Fujiwara interview of Lee Teng-hui, "Taiwan: Lee Interviewed on Diplomatic Issues," Tokyo *Asahi Shimbun* in Japanese, 17 May 1996.

[65] Ibid.

feelings/expressions) and *honne* (inner feelings/expressions) of Japanese communication, as well as his unique political skill. What can be said definitively is that Lee endorsed a pragmatic approach to Taiwan's interaction with Japan, seeking simple mechanisms for increased interaction and mutual gain. After his presidency, Lee, who was highly suspected by his KMT counterparts and mainland Chinese of being overly enamored with Japan, has continued to foster a legacy of close Japanese–Taiwanese relations that continues to this day.

Taiwan's relations with the United States during Lee's presidency were less even-keeled than with Japan, swinging to extremes of great accomplishments and surprising policy shifts away from Taiwan. In the case of the Taiwan Strait crisis, China had generally expected the U.S. to block President Lee's visit to the U.S. in 1995, but underestimated the U.S. congressional lobby in support of Lee that would ultimately influence the executive branch. China deemed Lee's visit and speech to reflect "creeping independence," and after substantial internal debate, a range of actions through the DIME were set into motion, which included suspension of dialogue with Taiwan and the United States, propaganda attacks on Lee and President Clinton, and a measured military response. The military response included large-scale amphibious exercises in 1995 in the vicinity of the Taiwan Strait and follow-on missile exercises during Taiwan's first democratic election in March 1996. Though the U.S initially responded strongly by sending two aircraft carriers (one of which was based in Yokosuka, Japan) into the Taiwan Strait, almost no dialogue took place between Japanese and U.S. officials as to whether U.S. forces operating from Japan triggered the requirement for "prior consultations," as suggested in the 1960 provisions of the Treaty of Mutual Cooperation and Security. Similarly, the U.S.'s strategic partnership agreement with China occurred without special coordination with Japan, and Clinton's trip to China would be another "Japan-passing" event that would unfortunately remind the Japanese of the "Nixon shocks" at the beginning of this period.[66]

[66] Roy Kamphausen, "Introduction, Japan-Taiwan Interaction: Implications for the United States" *NBR Analysis,* Volume 16, Number 1, October 2005, *5.*

6. Conclusion (1972–1996)

The Japan–Taiwan interaction in the post- diplomatic-recognition period was a cycle of crisis, reevaluation, adaptation, and more crises. One main theme that can be extracted is that Japan's relationship with Taiwan was deemed overly dependent and vulnerable to the U.S.'s shifting position. In reaction, Japan adapted rather quickly to reestablish relations with Taiwan on its own terms, developing a functional and pragmatic, though unofficial, mechanism for continued trade and cultural interaction as embodied in MOFA's proxy, the Interchange Association of Japan. Though this facilitated functional ties initially, by the end of the period, both Japan and Taiwan's leadership began to examine possibilities for a deeper exchange, beyond simple trade ties, to represent the shared culture and values brought to the fore during the Lee Teng-hui presidency.

This period, more than the others examined in this study, highlights both the capabilities and deficiencies of Japan's crisis-management system, and how the systems and the interests represented were accentuated by key events involving the PRC and Taiwan. Though Japan would acknowledge these deficiencies and salvage functional ties with Taiwan before the U.S. accomplished its similar diplomatic feat, Japan's crisis management actors continued to push transformation through the end of this period.

Japan's basic formula for foreign policy based on the Yoshida doctrine and solidified in the "1955 system" was led by the powerful economic ministries—MOF and MITI—and influenced heavily by the *keidanren*, all of which grew to the height of their prominence in this period. As Deng came into power, China's potential as a market and a supplier of cheap production inputs was realized, and Taiwan's overall significance as a partner decreased significantly. Yet Japan and Taiwan's trade relations, though not conducted in the spotlight, remained significant. As Taiwan's economy began to reach the later stages of the developmental model, Japan continued to benefit greatly from high-technology components that Taiwan could produce much more efficiently and reliably than its mainland competitor. However, by the later stages of this period, Japan realized that the "1955 system" would not survive the 1990s, and also struggled with the

international image of Japan as a strictly financial power that lacked clout in time of crisis.

During this era, although the U.S.–Japan alliance (the basis of Japan's balance-of-power interests) experienced tension, specifically over Taiwan, it emerged stronger. The reality, as early as 1970, that either country could walk away unilaterally forced a mutual recognition that it was still in both parties' interests to maintain the treaty. Though intermittent crisis and Japan-passing events highlighted the alliance's shortfalls and lack of clarity, it continued to take precedence over the domestic political and protectionist concerns surrounding Japan. As both countries moved into the dynamic era of Taiwanese democracy, the question of how the U.S.–Japan alliance would factor in the security of Taiwan remained near the top of the agenda. The U.S. and Japan produced the first "Guidelines for U.S.–Japan Defense Cooperation" in the late 1990s.

In assessing Japanese and American policy convergence on Taiwan in this period, general convergence and complementarity was maintained. Though Japan felt betrayed and excluded from some of the U.S.'s most important foreign-policy decisions regarding the PRC in this period, there was no real disagreement over Taiwan. Japan followed the U.S. intent to reverse diplomatic recognition from the ROC to the PRC, though the prominent Taiwan lobby in the Japanese Diet might have preferred to support a two-state solution, especially during Taiwan's democratic transition. In the economic sphere, the U.S. and Japan were at odds, with U.S. concerns over Japan's industrial output and market-share domination strategy. With regard to Taiwan, however, both continued to support Taiwan economically: the U.S. primarily through direct aid, and Japan through trade and investment. The most surprising conclusion from comparing U.S. and Japanese interests in Taiwan during this period is that, though there was a high level of convergent interests, there was a low level of coordination—as exemplified by the Taiwan Strait crisis. Moving into the late 1990s, both countries acknowledged that increased coordination over Taiwan was in their common interest.

D. JAPAN'S "RELUCTANT REALISM" AND THE RISE OF BALANCE-OF-POWER POLITICS (1996–2008)

Taiwan's democratic development was a paradigm shift, and a somewhat inconvenient reality. Even after the Tiananmen Square crisis, which made the PRC a very unappealing partner, and a brief period after the Gulf War when the U.S. was the lone superpower, the U.S. has not always shown complete enthusiasm for democracy in Taiwan. The awareness that America's *de facto* security guarantee for Taiwan was subject to the whim of Taiwanese public opinion was disconcerting; and this vulnerability was amplified in the face of an increasingly unbalanced cross-Strait military situation. Meanwhile, the Japan–Taiwan relationship during the Lee presidency and following Chen presidency had grown to its most mature interaction since 1972, with a shared vision as modern Asian democracies and a corresponding increase in trade, travel, and intertwined popular culture. In conjunction with Taiwan's democratic transition came Japan's concern that its pragmatic policy of economic interdependence with the PRC was not having the desired effects. Michael Green highlights this dynamic in his work on Japan's foreign policy, *Japan's Reluctant Realism*: "In the space of a few years, Japan's fundamental thinking on China shifted from a faith in economic interdependence to a reluctant realism."[67] This shift was also reflected in the ruling LDP party's foreign-policy statement in 1997:

> Ultimately, China's future rests in its own hands—including how stably it will develop. Therefore, even as we seek to preserve and enhance our amicable relations with China, we must maintain a close watch on the direction China is headed and be prepared to cope with a variety of contingencies.[68]

The American *de facto* security guarantee embedded in the strategic ambiguity of the Taiwan Relations Act was initially intended to give the ROC diplomatic space and a bargaining tool to use for negotiating peaceful settlement of the cross-Strait situation with the PRC. Instead, the loss of diplomatic recognition for the ROC was influential in igniting a democratic transformation, giving new precedence to Taiwanese public

[67] Green, *Reluctant*, 78–79.

[68] Ibid, 79.

opinion, which heavily favored (around 80 percent) maintenance of some form of the status quo rather than conciliatory unification with the mainland.[69] Indefinitely sustaining the status quo, however, was definitely not acceptable to the PRC; and while this paradox was reticently absorbed into U.S. policymaking, pragmatic and generally less publicized relations between Japan and Taiwan soared in this transitional period. This section shows how from 1996–2008, Japan's relationship with Taiwan entered a new phase, built on a foundation of solid business and cultural ties, strengthened through democratic ideology and an emerging pop-culture expansion, and advanced in new areas of politics and unofficial defense assurances. While Japan remained strategically and generally aligned with the U.S. concerning Taiwan, its interaction with Taiwan was more independent, consistent with the overall codification of Japan's balance-of-power strategy towards China.

1. Ideology, Pop Culture, and Business

Despite a consistently pragmatic post-WWII philosophy in Japanese foreign affairs, an ideological bridge was established between Japan and Taiwan as Taiwan transitioned to democracy. In combination with general anxiety over China's rise, the Tiananmen incident, external signs of Chinese aggression such as its nuclear test in 1996, the Taiwan Strait crisis of 1995–1996, China's refusal to renounce the use of force against Taiwan, and continued demands for a deeper apology from Japan for wartime aggression—despite massive official developmental aid from Japan—Japanese public opinion and, correspondingly, official foreign policy towards China, began to sour.[70] At the same time, Japan began to distance itself from shifting U.S. policy regarding China. One of the most poignant examples of this dual dynamic came in 1998, when Clinton altered the perceived status quo with his "Three No's" (no to Taiwanese independence; no to one China, one Taiwan; and no to Taiwan's participation in international organizations whose members are states). While some do not interpret Clinton's "Three No's" as a shift in policy, Japanese commentators noted that not supporting Taiwan

69 Taiwan Mainland Affairs Council Public Opinion Polls, accessed online at http://www.mac.gov.tw/public/Attachment/21227153597.gif, updated as of24 Dec 2012.

70 Green, *Reluctant…*, 100.

independence—which was viewed as the traditional U.S. policy—is different from opposing independence, which Clinton's statement implied. Not only did Clinton fail to coordinate with Japan prior to the speech, he salted the wound by Japan-passing on the trip, possibly as a precondition that was set by the PRC. Japan's consequent resistance to PRC pressure to make a similar endorsement was evident later that year, in its refusal to sign a joint statement during a visit by PRC president Jiang Zemin.[71]

At the same time, the relationship with Taiwan was bolstered by their shared political ideology, complementing the mutually beneficial trade ties that had continued quietly even after the severing of official ties. By 2000, Taiwan was a shining example of a successful industrialized East Asian economy, sharing many traits of the developmental state, of which Japan was the vanguard. The pivotal democratic transition during the Lee-Teng-hui presidency had solidified the link, and with democratic peace theory still very prominent in IR theory, it is natural that Japan began to reexamine the feasibility of expanding its relationship with Taiwan.[72]

More tangible than ideological, the impact of Japanese pop-culture expansion in Taiwan from 1993–1998 was also immense. Lam Peng-er noted this dynamic in his important 2004 article "Between Affinity and Reality: Japan–Taiwan Relations:"

> "Trends in J-Pop [Japanese popular music] music, fashion, fast food, television soap operas, movies, karaoke, computer games, books and manga [comic books] form the tastes and behavior of Taiwanese youth. In contrast, China does not excite the fashion sense and taste of young Taiwanese; the more belligerent China acts toward Taiwan, the less attractive mainland Chinese culture becomes to Taiwanese youths."[73]

Japanese media during the mid-1990s picked up on this growing trend of young Taiwanese Japan-lovers (termed *harizu* in Taiwan) as well, highlighting the importance of Taiwanese political figures in encouraging this phenomenon. Furthermore the popular-culture infatuation by a new Taiwanese generation led to a deeper appreciation of the

71 Lam Peng-Er, "Japan-Taiwan Relations: Between Affinity and Reality," Asian Affairs, Volume 30, No.4, Winter 2004, 260.

72 Ibid, 252.

73 Ibid, 253.

Japanese language and culture, with a corresponding increase in Japanese-language learners and tourism to Japan. The *Asahi Evening News* examined this trend in 2000:

> Hello Kitty and Doraemon Nihon junkies here are known by the special name *harizu* (Japan lovers) and they have been a conspicuous and growing phenomenon over the past few years…. In line with the new craze, Japanese-language study has also exploded in popularity. From 1993–1998, the number of Taiwanese studying Japanese rose by 177 percent overall and by 287 percent at language schools and *juku* (cram schools)…. [T]he latest boom is the direct result of government deregulation of Japanese pop cultural imports…Lee Teng-hui… is widely credited with opening the island republic to Japanese culture by rescinding many anti-Japanese laws that had been in the books since World War II.[74]

While the generation of Taiwanese who maintained a favorable impression of colonial Japan, spoke Japanese, and preferred Japanese administration to former KMT-autocratic rule was beginning to pass away, a new vigorous section of the now-voting public was more than filling the void.[75]

The expansion of popular-cultural ties also served to reinvigorate Japan's economic interests in Taiwan. Though trade had remained relatively strong since 1972 from the Japanese perspective, by the late 1990s, Taiwan had become increasingly concerned about its trade deficits with Japan. In dealing with these concerns, the IAJ and Taiwan's East Asian Exchange Commission established annual trade talks to facilitate trade-dispute resolution. Additionally, a wide array of private Taiwan–Japan friendship clubs with ties to industry in Taiwan and the powerful *keidanren* in Japan began to emerge around the turn of the century. Though the IAJ would have some success in stimulating additional demand in Japan for Taiwanese products, Japanese exports to Taiwan would continue to outpace imports. In fact, exports from Japan to Taiwan increased 60 percent from 2002–2007. Imports to Japan from Taiwan also increased significantly (23 percent) during roughly the same period, and in contrast to trade between Japan and Taiwan prior to 1972, Taiwan's exports to Japan were of increasing

74 "Taiwan Youths Go Gaga for Japan," *Asahi Evening News*, 3 September 2000.

75 You Tube video—"*Ni-Tai Kankei*," accessed online at www.youtube.com/watch?v=tVtTzCegy2k, 21 Mar 2013 ; You Tube video—*Naze Taiwanjin ha nihon ni yasashiino darou?*, accessed online at ;

sophistication and industrial value, such as high-technology inputs to electronics production. [76]

While trade with Taiwan increased substantially, it is important to note that trade with the PRC increased to an even greater extent from 2002–2007. Japanese exports to the PRC increased by 150 percent; imports from the PRC increased 110 percent. The powerful *keidanren*, which came under intense scrutiny with the prolonged stagnation of the Japanese economy following the bursting of the asset bubble in the early 1990s, was still focused on the growth of Chinese markets, even in the midst of serious concerns over the long-term stability of China. Thus, although an ideological and cultural bridge supported better business ties with Taiwan, it did not exclude continued pragmatic business ties with the PRC.[77]

Juxtaposed with increased business and cultural ties between Japan and Taiwan, tourism also increased in both directions. In 1996, new air routes were established between Osaka and Taipei, shared by All Nippon Airways (ANA) and Taiwan EVA airways. Travel increased markedly, with 1.6 million visitors traveling between Japan and Taiwan the following year. To ease the travel process further, in 1998 Japan began to offer 72-hour transit visas for ROC nationals, and Taiwan reciprocated.[78] By 2001, Japanese visitors accounted for 42 percent of all tourist travel to Taiwan, exceeding the second highest group of travelers to Taiwan—Americans —by more than 600,000. Taiwanese consistently ranked Japan and Tokyo as the best foreign country and city they had ever visited.[79]

[76] Lam, 258; JETRO official website trade statistics for Taiwan, accessed online at http://www.jetro.go.jp/world/asia/tw/stat_01/, updated as of 21 Nov 2012; for PRC, accessed online at http://www.jetro.go.jp/world/asia/cn/stat_01/, updated as of 24 Oct 2012.

[77] Ibid.

[78] *1999 Republic of China Yearbook*, Government Information Office, Republic of China, 1999, 146.

[79] Lam, 254; *1999 Republic of China Yearbook*, Government Information Office, Republic of China, 1999, 146. This author also traveled to Taipei from Osaka in 1998 because it was the cheapest and easiest destination to get a student visa for foreign-exchange study in Japan in the 1998–1999 school years.

2. Political Networks

Though Lee-Teng-hui's official comments on Taiwan during his tenure as president (1988–2000) were generally tempered by the PRC's clear disdain for any acknowledgement of official political ties, his legacy as a charismatic proponent of greater political ties with Japan is well established. Under Lee's auspices, non-official, private exchanges and meetings between Japan and Taiwan's local and national party members, both ruling and opposition, became standard. In 1998, sixty-six Japanese politicians and bureaucrats traveled to Taiwan. Taiwan, in turn, sent high-ranking members of the legislative Yuan, presidential advisers, the head of the government information office, the secretary general of the KMT, and the mayor of Taipei—Chen Shui-ban. On Chen's visit in 1999, only a year before his election as president, Chen met both the prime minister of Japan, Keizo Obuchi, and a powerful LDP faction leader, Yoshiro Mori, who would become prime minister after Obuchi. While Japan refrained from sending any cabinet-ranked officials to Taiwan to maintain nominal adherence to the One-China policy, functional political ties and unofficial mechanisms for dialog took root during this critical period of 1996–2000.[80]

Though there had been unofficial Taiwan lobbies in various political factions and *zoku* (factional sub-elements or gangs) since the early post-WWII period in the Japanese Diet, the Taiwan lobby solidified in this period. In 1997, the LDP Diet Members' Dialogue Group on Japan–China Relations (established in 1973) was expanded as a Diet-wide group, which by 2004 had 320 members from all parties. The main opposition party (the Democratic Party at the time) also established the Japan–Taiwan Friendship Association, which had seventy-seven members, and arranged for political exchanges of the opposition party and the DPP, both in Taipei and Tokyo. Though there were various friendship and exchange groups in the Diet, including some promoting ties with the PRC, Japan's need to maintain an veneer of informality in its relationship with Taiwan led to the Taiwan lobby's becoming a prolific institution for strengthening relations between the countries while staying just below the official-foreign-policy radar. Lodged deep and

[80] Lam, 254–255.

spread wide within the bureaucratic power center of the Diet, the Taiwan lobby's power and influence would gradually expand to other key institutions—the MOF, MITI, MOFA, and JDA—through the rest of this period.[81]

With functional political ties greatly enhanced through the Taiwan lobby and expanded exchanges throughout both governments, Taiwan became more vocal about the role it hoped Japan could play in regional affairs, especially in the cross-Strait relationship. By 2000, the idea that Japan could be a possible mediator between Taiwan and the PRC for negotiations, such as a cross-Strait nonaggression pact, began to gain momentum, receiving support from both opposition and leading parties in Taiwan. Vice President Annete Lu seemed to take on the leadership role for this initiative and others involving Japanese leadership in regional affairs. In 2000, she encouraged visiting Japanese politicians to consider starting a northeast Asian coalition of "modern, democratic, and developed" states that excluded Beijing. While this would likely have crossed a clear red line from the PRC perspective and seemed infeasible to Japan and the United States, Taiwan's assessment that Japan could have a significant role in the process should be recognized.[82]

As President, Lee Teng-hui greatly increased political exchanges with Japan, but his support for greater ties with Japan expanded significantly after his final term in 2000. In 2001, Lee urged Japan to "lay down its historical burden" and become more assertive in international and regional affairs.[83] In Japan, Lee's call to action was a welcome contrast from the treatment of the PRC president Jiang Zemin, who in a disastrous visit to Tokyo in 1998 publicly demanded that Japan "must never forget the past to avoid repeating the mistakes of history."[84] It did not hurt that Lee was also a greatly charismatic figure, equivalent in East Asia to Ronald Reagan and Margaret Thatcher. Lee's books were bestsellers in Japan, and he capitalized on mass media as an emissary for Taiwan's democracy, human rights, and right to international representation. Lee's

81 Ibid, 255–266.

82 Ibid, 257.

83 Ibid, 257.

84 Ibid, 258.

legacy lives on in Japan, and one of these legacies—the Friends of Lee Teng-hui Association—continues to be one of the most important NGO lobby groups for Taiwan.[85]

In 2001, the Taiwan lobby of Japan had reached the pinnacle of its power, with the factional leader of the lobby, Yoshiro Mori, ascending to the premiership. Lee Teng-hui, who had applied for a visa to Japan in April of that year under the guise of medical treatment, was actually on a political mission. The Taiwan lobby, seeing a poignant opportunity to show support for Taiwan, pushed the case to approve Lee's visa, despite the PRC insisting that if Lee were to visit Japan "in whatever name and whatever capacity" Sino–Japanese relations would be "fundamentally" damaged.[86] Though the foreign minister, Yohei Kono, officially resisted the visa, he was overridden by Prime Minister Mori and other leaders within the LDP. Though Beijing retaliated with a slew of canceled visits, including a planned visit by Li Peng, then chairman of the National People's Congress, the Taiwan lobby had held its ground for Lee in spite of PRC protests and potential economic and diplomatic fallout. Though this type of bold support for Taiwanese leadership has not remained consistent, it has reappeared at key junctures, especially at times when the Mori faction and Taiwan lobby have held prominent positions in the cabinet or premiership, as it does now.

3. Balance of Power

Building on the new framework of political engagement, the topic of security and defense relations between Japan and Taiwan began to be broached in the public view. The exceptional delicacy of the topic stems not only from Taiwan's unresolved status, but also from Japan's and the U.S.'s shifting interpretations of Japanese constitutional limitations regarding the very existence and further use of the self-defense forces. Significant shifts both in Taiwan's status and Japan's understanding of its ability to participate in collective self-defense, specifically concerning Taiwan, occurred in this period.

[85] Ibid.

[86] Ibid.

1996 was a critical year in the evaluation of the security situation around Japan, and though North Korea was still the primary focus following the 1994 nuclear developments, Taiwan was rapidly coming to the fore. Hisahiko Okazaki harkened attention in Japan and beyond to the U.S. response to the Taiwan Strait crisis and implications for Japan, given that the U.S. had clearly shown a commitment to the defense of Taiwan.[87] Okazaki made two prescient points: (1) Japan should take note of the U.S.'s commitment to Taiwan and accept the likelihood that Japan would be involved by default because of the American forces in Japan would most certainly be involved; (2) Japan's government, and Prime Minister Ryutaro Hashimoto specifically, was not prepared to take the necessary steps to adequately address the issue.

In the background, however, Washington was briefing Tokyo on Seventh Fleet operations in the Strait and providing information on Chinese missiles, while Tokyo was confirming that Taiwan would not be deliberately excluded from the geographic area of the Far East that had been discussed in U.S.–Japan Alliance redefinition talks. Though Hashimoto had taken preliminary steps to prepare a contingency plan for logistical support to potential U.S. combat operations in the Strait, he would not attain Diet support, and no joint U.S.–Japan action took place as a show of resolve in reaction to the Taiwan Strait crisis.[88]

What would result, however, was the 1996 U.S.–Japan Joint Declaration. Although a truly significant development, the wording was intentionally ambiguous, essentially stating that the U.S. and Japan would work together to address "situations that may emerge in the areas surrounding Japan and which will have an important influence on the peace and security of Japan…[and] the Asia–Pacific region. [89] More importantly though, the declaration concluded the alliance redefinition process, which had been initiated in 1994, and at the same time began a review of the 1978 U.S.–Japan Defense

87 Hisahiko Okazaki, Japan: "Effect of U.S. Defense Ties to Taiwan Viewed," *Tokyo SAPIO* (in Japanese), 27 Mar 1996, 20–22.

88 Jim Auer and Tetsuo Kotani, "Re-affirming the "Taiwan Clause": Japan's National Interest in the Taiwan Strait and the U.S.-Japan Alliance," NBR Analysis, Japan-Taiwan Interaction: Implications for the United States, Volume 16, Number 1, October 2005, 75–76.

89 "Japan-U.S. Declaration on Security: Alliance for the 21st Century," 7 April 1996, accessed online at http://www.mofa.go.jp/region/n-america/us/security/security.html, on 12 Apr 2013.

Guidelines. The 1996 Japan-Defense White Paper subsequently put the declaration into context by further detailing the expansion of the Chinese threat and its implications for Taiwan from the Japanese perspective. By 1997, though substantial consensus in Japan had been reached regarding the importance of Japanese support for Taiwan, it was not the main focus for the review of the defense guidelines. The longevity and durability of a clause with built-in strategic ambiguity on Japan's commitment to Taiwan made more sense at the time. Thus, the completed review of the 1997 Guidelines for Japan–U.S. Defense Cooperation includes Article V, which provides analysis of the type of cooperation possible in "situations in areas surrounding Japan which will have an important influence on Japan's peace and security."[90]

Chen Shui-bian's election in 2000 continued to bring Japan–Taiwan relations to the fore. International media covered Chen's election and presented a range of opinions, including the need for restraint in the relationship with Taiwan due to the importance and volatility of China, but most mainstream Japanese press presented Chen's election as a further opportunity for strengthening relations with Taiwan, and noted Japan's distinctive position from which to support Taiwan's newfound democratic legitimacy.[91] Exchanges between Japan's Taiwan lobby and DPP politicians, many of whom favored Taiwanese independence, grew to their most mature level during the initial years of the Chen administration, with delegations of DPP politicians traveling to Japan and LDP and opposition party members traveling to Taipei shortly after Chen was elected in 2000. By 2002, President Chen was making bold official statements, calling for a Free Trade Agreement (FTA) with Japan, and "cooperation in the areas of politics, the military, and security."[92] Japan–Taiwan relations had truly entered a new era that ventured beyond the traditional framework of business and cultural exchange into reassessment of Japan's role in the balance of power.

90 "The Guidelines for Japan-U.S. Defense Cooperation," MOFA website, 1997, accessed online http://www.mofa.go.jp/region/n-america/us/security/guideline2.html, Apr 21, 2013; Auer and Kotani, 79.

91 A collection of foreign media reports (including Japanese newspaper reports) regarding the election of Chen Shui-ban in 2000, *Taiwan's Election 2000: International Perspectives*, Information Office of Taiwan Economic and Cultural Office, San Francisco, May 2000.

92 Lam, 257.

With the rise of Junichiro Koizumi, another member of the Mori faction and Taiwan lobby, the necessary leadership structure seemed in place to support substantial enhancement in Japanese–Taiwanese relations. One notable event that occurred early in the Chen–Koizumi years that swayed Japanese public opinion towards expanding support for Taiwan was the Shenyang Incident in May 2002, where Chinese police stormed the Japanese consulate in Shenyang to forcibly remove and arrest North Korean asylum seekers. Consequently, Japanese public support for Taiwanese independence grew beyond the 64 percent peak noted in the late 1990s.[93] With leadership and public support in place, the next step was action in the Diet. With Mori's faction and the Taiwan lobby leading the charge, the policy guidelines for official travel to Taiwan were amended, allowing for a wider swath of government officials and high ranking politicians to visit Taiwan in a semiofficial capacity. In December 2003, former prime minister and current leader of the Taiwan lobby Yoshiro Mori visited Taiwan and met with President Chen. After Mori's visit, Japan's official and unofficial positions on Taiwan advanced significantly.[94]

In 2003, Japan made an important step in supporting Taiwan's *de facto* sovereignty by backing the ROC's acceptance into the World Health Organization, and in 2004 followed up by voting for it. Moving into the defense realm, the Japan Defense Agency's committee on defense capability continued to highlight the Chinese threat, and provided three scenarios where China might attack Japan, with war in the Taiwan Strait the most dangerous. At the same time, retired Japanese maritime self-defense force senior officers began visiting Taiwan in track-II dialogue events and contract advisory roles to the Taiwanese ministry of national defense and navy, which have continued in various forums to the present. In addition to the Taiwan–Japan "Mainland China Issues Symposium," which was initiated in 1971 and continues, there are five other track-II

93 Ibid, 253, from primary source *Nihon Keizai Shinbun* poll in 1997 of 1200 random Japanese adults; Lam, 253.

94 Michael McDevitt, 25.

dialogues involving government officials form 1999–2001 that continue to facilitate an important information exchange mechanism between Tokyo and Taipei.[95]

Domestically, Japan's beleaguered defense industry was also lobbying through the *keidanren* to lift export bans, which many connected to potential arms sales to Taiwan. Even a very moderate Japanese commentator and expert on Japanese foreign policy, Yoshihide Soeya of Keio University, concluded in late 2004 that there was no question whether Japan would provide support to the U.S. in the event of aggressive PRC action in the Taiwan Strait. The main question that remained was, to what extent would Japan be confined within the parameters set by the U.S.–Japanese alliance? [96]

Indeed, it would appear that Japan's trajectory for enhanced support of Taiwan, both through the U.S.–Japan security alliance and other semiofficial Japanese–Taiwanese mechanisms, was set; but in the background, important shifts in the strategic and regional situation were occurring. First, President Chen, while winning reelection in March of 2004, lost the DPP majority in the December legislative Yuan elections. Some U.S. and Chinese commentators interpreted this as an indication that the Taiwan people were restraining Chen from going too far in pushing Taiwan independence at the risk of conflict with the PRC. [97] Most importantly, the U.S. was now embroiled in two wars, in Afghanistan and Iraq, and the thought of conflict in Asia, especially with China, was inconceivable, even if the cause was consistent with the ideological leanings of the administration. Indeed during this period, many hawkish Japanese (especially in the conservative Taiwan lobby) perceived that U.S. was lacking a clear strategy for Taiwan. To this point, Hisahiko Okazaki commented in 2003 on U.S. policy concessions to the PRC saying, "I cannot help but have the impression that recent American Taiwan policy has also been fossilized in 'position papers,' which do not provide us any clue to their

[95] Philip Yang, "Japanese-Taiwanese Relations and the Role of China and the U.S.," NBR Analysis, Volume 16, Number 1, October 2005, 103.

[96] Chen, 58; Yoshihide Soeya, "Changing Security and Political Contexts of Japan-Taiwan Relations: A View from Japan," *NBR Analysis: Japan-Taiwan Interaction: Implications for the United States,* Volume 16, Number 1 October 2005, 38.

[97] Michael McDevitt, "Taiwan: the Tail that Wags the Dog,"*NBR Analysis: Japan-Taiwan Interaction: Implications for the United States,* Volume 16, Number 1 October 2005, 24.

underlying philosophy or strategy."[98] While Japan under Koizumi raised the bar for functional support to U.S. commitments in other regions of the world and much was accomplished in terms of normalizing the defense relationship between Japan and the U.S., there was some sense of a temporary power vacuum in Asia, as it was well understood that the U.S. was simply not willing to pursue policies that had any associated risk of escalation.[99]

Michael McDevitt, in his important piece, "Taiwan: The Tail that Wags the Dog," embodied an increasingly significant voice in U.S. policy circles at the time, which acknowledged the concern over the new assertiveness of the PRC and growing power of the PLA, yet was equally concerned about the potential for Chen Shui-bian to unilaterally involve the U.S. in a potential cross-Strait crisis. President George W. Bush had been extremely supportive of Taiwan's defense in the early years of his administration, especially following the EP-3 incident (in which U.S. reconnaissance aircraft were forced to land on Hainan island after aggressive collision with a PLAAF fighter) in April of 2001 and would reinvigorate hope, in his inaugural address in January 2005, of an Asia–Pacific democratic alliance by citing the spread of democracy as a primary policy goal. But firm limits for support of Taiwan's sovereignty remained. The objective in the Strait shifted from facilitating resolution to maintaining the status quo, with an equivocal hope that resolution would come at a point much later, when the strategic situation had changed significantly. Nonetheless, the U.S. and Japan would continue to advance the alliance in terms of functionality, versatility, and specificity. In February 2005, the landmark 2+2 Joint Statement (SECDEF, SECSTATE + MOFA, JDA) included "the peaceful resolution of issues concerning the Taiwan Strait" as a common regional strategic objective.[100]

98 Hisahiko Okazaki, "The Strategic Value of Taiwan," Remarks Prepared for the U.S.-Japan-Taiwan Trilateral; Strategic Dialogue, Tokyo Round, 2 March, 2003.

99 Richard Samuels, *Securing Japan: Japan's Grand Strategy and the Future of East Asia*, (Ithaca: Cornell, 2007), 83.

100 "Joint Statement U.S.-Japan Consultative Committee, 19 Feb 2005, accessed online at http://www.mofa.go.jp/region/n-america/us/security/scc/joint0502.html, 13 Mar 2013; Shirley Kan, "Taiwan: Major Arms Sales since 1990," *CRS*, 29 Nov 2012.

Shortly after the 2+2 Joint Statement, the PRC reemphasized its stance by enacting the 2005 Anti-Secession Law, which states,

> In the event that the "Taiwan independence" secessionist forces should act under any name or by any means to cause the fact of Taiwan's secession from China, or that major incidents entailing Taiwan's secession from China should occur, or that possibilities for a peaceful reunification should be completely exhausted, the state shall employ non-peaceful means and other necessary measures to protect China's sovereignty and territorial integrity.[101]

The Anti-Secession was in large part a response to the passage of the referendum law in Taipei in 2004, and the message to Taiwan was unambiguous. While U.S. support was generally assumed, Taiwan National Defense Committee members lobbied Japan for closer military cooperation, as indicated by an August 2005 visit to Tokyo, where they met with key members of the Diet and other Japan Defense Agency officials.[102]

To keep this period in context, Yoshihide Soeya warned that:

> If one merely listens to the changing discourse on China and Taiwan by inspired pro-Taiwan Japanese , one would be tempted to conclude that Japanese policy in the coming years will be increasingly anti-China and pro-Taiwan (even to the extent of supporting Taiwan independence). Conventional wisdom even outside of China associates Japan's pro-Taipei voices with Japan's desire to become a normal state.[103]

Indeed, despite widespread political and public support for Taiwan, Japanese business interests and crisis-management actors continued to focus on China during this period. And while Japan made definite progress in bilateral political and security ties with Taiwan, most commentators saw that this progress remained within the general parameters of the U.S–Japanese alliance. What should be recognized is that Japan was, as Soeya says, moving forward in its own desire to become a normal state, and that movement was clearly manifested in its relationship with Taiwan and its definition of its own security interests. The period was capped off in 2007, when Shinzo Abe, another

101 "Full Text of the Anti-Secession Law," PRC Official Government website, accessed online at www.china.org.cn/english/2005lh/122724.htm, on 21 Apr 2013.

102 Chen, 58; "Full Text of the Anti-Secession Law," PRC Official Government website, accessed online at www.china.org.cn/english/2005lh/122724.htm, on 21 Apr 2013.

103 Soeya, 56.

pro-Taiwan member of the Mori faction, became prime minister. Abe continued forward momentum towards normalization of Japan's security by successfully transforming the Japan Defense Agency into a ministry, equivalent with other actors in foreign policy such as MOFA, METI, and MOF. Emblematic of this period, Abe wrote a book with Hisahiko Okazaki that can be interpreted as a grand strategy for Japan's defense. Penned before Abe assumed the premiership, it is appropriately entitled, *Kono Kuni wo Mamoru Ketsui* (*The Determination to Defend this Country*).[104]

4. Conclusion (1996–2008)

It is telling that, at the pinnacle of Taiwan's democratic and economic growth, Japan was Taiwan's most favored nation, by far. Likewise, by the end of this period, public and political support for Taiwan had never been higher in Japan. It should also be recognized that for all Japan's assertive foreign- and security-policy activism towards Taiwan during this period, economic interdependence with China and the U.S.–Japan alliance remained the limiting margins of Japan's *de facto* relationship with Taiwan. Nonetheless, between the margins, an increasingly significant subtext of Japan's foreign policy developed for Taiwan.[105]

Economically, Japan–Taiwan trade increased in quantity and substance. The economic relationship was further bolstered by agreements and the opening of new TECRO and JETRO offices, which further facilitated trade and investment processes. Though Japan and Asia were deep in the throes of the Asian economic crisis by the end of this period, both Japan and Taiwan were weathering the storm, and business interaction between Japan and Taiwan remained steady and mutually beneficial. Another subtext in foreign affairs in the region, however, was a growing pan-Asian economic liberalization, involving ASEAN, South Korea, Japan, and most importantly, China, which by the end of this period, was the primary engine of growth in Asia. This trend,

104 Shinzo Abe and Hisahiko Okazaki, *Kono Kuni wo Mamoru Ketsui* (The Determination to Defend this Country) (Tokyo: Fusosha, 2004), title.

105 Matsuda, 5–7; "Nittai-Kankei," (Japan-Taiwan Relations), Interchange association Japan, accessed online http://www.koryu.or.jp/ez3_contents.nsf/12/F3CE8A140E14BA4649257737002B2217?OpenDocument on 4 April 2013.

though widely reported now, was not prominent in cross-Strait commentaries. As will be shown in the following chapter, it would become a driving factor for Taiwan in the coming years.

Crisis-management actors were almost totally oriented towards the PRC during this period. In this respect, MOFA and other crisis-management actors attempted to limit and constrain Japan's interests in Taiwan, so as not to unnecessarily antagonize the PRC or prevent growing business ties. One possible reflection of this effort was the ambiguity of the 1997 defense guidelines regarding Taiwan, though they were in accordance with American guiding principles of strategic ambiguity. Despite real boundaries maintained by Japan's crisis-management actors with respect to Taiwan, Japan's interests in Taiwan expanded most dramatically in the balance-of-power realm. The net result of these changes is that in its interaction with Taiwan, Japan started acting more like a "normal" nation, and less like a nation severely constrained by other regional and global powers. The basic reality remained that if crisis broke out in the Strait, it was still Washington and not Tokyo that would decide how the U.S.–Japan alliance would be applied; but Japan had a significantly larger stake in that decision by 2007 than in previous periods.[106]

Just as Japan's interests in broader relations with Taiwan were coalescing around security concerns regarding China, the Taiwanese public became more concerned about the real possibility of provoking an aggressive China, whose patience was wearing thin over Chen Shui-bian's envelope-pushing public pronouncements on sovereignty. Similarly, the U.S. became wary of the potential for Taiwan to unilaterally provoke the PRC and involve America in a conflict, which it frankly could not afford in the midst of the Global War on Terrorism (GWOT) and Iraq. Regarding overall alignment with U.S. objectives in Taiwan, Japan and the U.S. remained fundamentally aligned, and in fact, made significant progress in redefining and normalizing the U.S.–Japan security alliance in the context of potential conflict in the Strait. Though the U.S.–Japan alliance would come out of this period much more secure than it had started, the seeds of potential strategic divergence, specifically over Taiwan were also sown. Though timing and a

[106] Lam, 250.

variety of factors would prevent Japan from moving too far down a unilateral path, nascent indications of this divergence lay just beneath the surface of what continues to be a very stable and mutually beneficial alliance.

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II. CURRENT DYNAMICS OF JAPAN–TAIWAN RELATIONS

A. INTRODUCTION

The intent of the preceding historical survey was to extract the primary drivers of current Japan–Taiwan interaction through the lens of Japan's national interests. The colonial period (1895–1945) set a baseline for cultural understanding, bureaucratic institutionalism, and a positive narrative of shared development, despite its violent and exploitative final chapter. The post-WWII era (1945–1972) was a period of initial uncertainty, which settled into a bipolar clarity during the Cold War that offered little room for independent ingenuity in Japan's relationship with Taiwan, but also validated Yoshida's formula for pragmatic ties through economic development. The post- formalties period (1972–1996) was a period of reevaluation that showed Japan's ability to rapidly adapt to a shifting strategic situation and successfully salvage a functional *de facto* relationship with Taiwan, while struggling to implement structural changes within foreign-policy bureaucracy. Finally, the last period of this survey (1996–2008) examined the formulation of Japan's dual-track balance-of-power strategy towards China—one track based firmly on the U.S.–Japan security alliance, and the other, on a new independent development, in which an unofficial political exchange and defense commitment with Taiwan began to take root. One overarching observation that can be applied to an examination of the current dynamics of the Japan–Taiwan relationship is that Japan has a unique vantage point regarding Taiwan that should be incorporated into a holistic understanding of cross-Strait stability and the future of Taiwan.

While the subtext of Japan–Taiwan relations has provided the main story of this thesis, the current dynamics of the Japan–Taiwan relationship cannot be fully examined without an assessment of the shifting strategic situation in the Taiwan Strait, including the actions by the U.S. and the PRC that have defined the margins within which Japan and Taiwan's interaction must exist. This chapter will provide a summary of some of the relevant changes in the strategic situation of the Strait, from the perspectives of the PRC, U.S. and Taiwan, before examining Japan's national interests in Taiwan in the current context.

B. STRATEGIC SITUATION OF THE TAIWAN STRAIT

The fundamental change in the strategic situation in the Taiwan Strait since 2008 is that tensions have decreased significantly. With the election of the mainland-oriented Kuomintang (KMT) president Ma Ying-jeou, substantial progress has been made towards cross-Strait rapprochement and reconciliation. Eighteen cross-Strait agreements and initiatives have been signed from 2008 to March of 2013, including the landmark Economic Cooperation Framework Agreement. Yet decreased tensions with the PRC have come at a cost to Taiwan and its political leadership, and fundamental incongruences remain in the objectives of the two sides of the Taiwan Strait.

1. Status Quo, Equilibrium, and Dynamic Equilibrium

The notion of *status quo* in international relations is somewhat illusory. In the case of Taiwan, maintaining the *status quo* has been a unifying principle since most nations, including Japan, severed official ties after U.S. diplomatic rapprochement with the PRC. To the government of the PRC, *status quo* is clearly not acceptable, especially if it continues indefinitely. To the people of Taiwan, *status quo* has come to mean a range of answers, but includes ideas of *de facto* sovereignty, holding out for democratization to occur on mainland China, stability for cross-Strait business, a functional détente, and simply, making the best of a bad situation. Approximately 80% of the people of Taiwan, in fact, favor the maintenance of some form of *status quo*: *status quo,* indefinite; *status quo*, decision later; *status quo*, eventual re-unification; or *status quo*, eventual independence,[107] as shown in Figure 3.

[107] **See figure 3**. Taiwan Mainland Affairs Council public opinion polls, accessed online at http://www.mac.gov.tw/lp.asp?ctNode=5948&CtUnit=4164&BaseDSD=7&mp=3 on 12 Apr 2013.

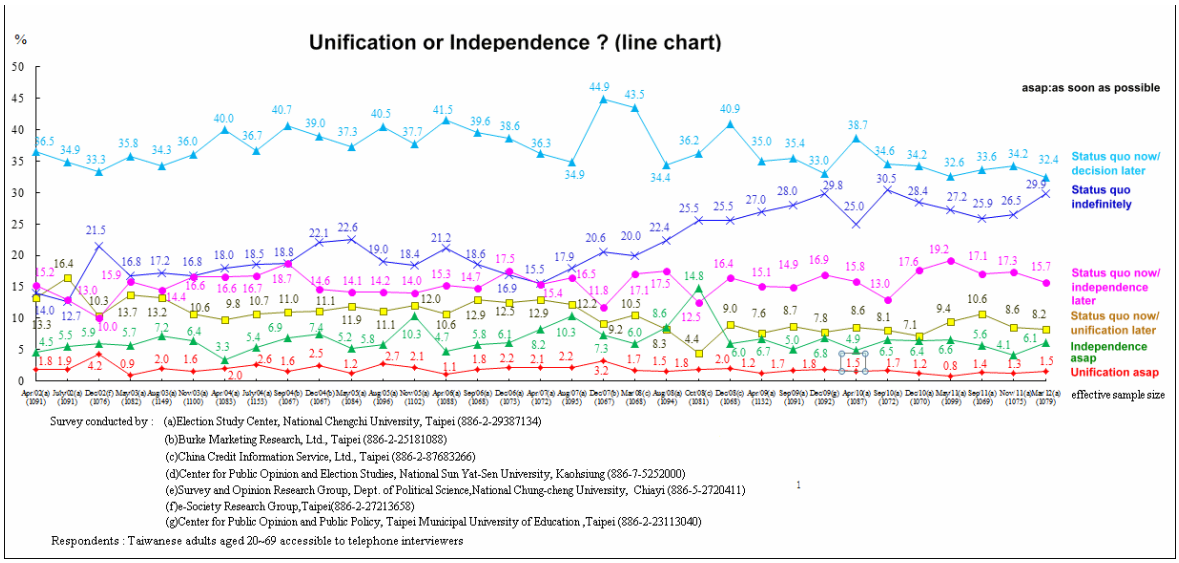


Figure 3. Taiwanese Public Opinion

The bottom line is that it really depends on who you ask, but the only tangible element of *status quo* in the Taiwan Strait, is that the situation is unresolved. Why it would be the strategy of the U.S. and other powerful nations to maintain a situation that is fundamentally unresolved despite periods of clear hegemony in the region and in the world is a mystery on which Japanese commentators have speculated widely, and, out of deference, have to a great extent accepted as reality.

A related concept, perhaps more useful within the realm of international affairs, is equilibrium. Hans Morgenthau's comments on equilibrium are particularly relevant to Taiwan's status:

> Two assumptions are at the foundation of all such equilibriums: first, that the elements to be balanced are necessary to society or are entitled to exist and, second, that without a state of equilibrium among them one element will gain ascendancy over the others, encroach upon their interests and rights, and may ultimately destroy them.[108]

Taiwan's status is that of a pseudo-state, whose international status has been determined by other powerful sovereign states that have concluded that it is not entitled

108 Hans Morgenthau, *Politics Among Nations: the Struggle for Power and Peace*, 7th edition, (Boston: McGraw, 2006), 181.

to exist within the international system as a sovereign state. Secondly, while a *de jure* status quo has been officially maintained for Taiwan since 1972, equilibrium has not.

An interesting evolution of this concept that has been used of late in the cross-Strait vernacular is "dynamic equilibrium." Again, Morgenthau provides a conceptual basis for this evaluation; with reference to a dynamic equilibrium, he offers the example of a human body:

> While the human body changes in the process of growth, the equilibrium persists as long as the changes occurring in the different organs of the body do not disturb the body's stability. This is especially so if the quantitative and qualitative changes in the different organs are proportionate to each other.[109]

President Ma has suggested that changes occurring in the cross-Strait situation since he took office are consistent with this concept of dynamic equilibrium.[110] That is, though the situation is constantly changing, even being redefined, all relevant parties are adapting, and maintaining the overall system of equilibrium. This explanation would fit within Morgenthau's explanation as long as all parties continue to adapt together. While this concept of a constantly evolving equilibrium may be helpful to a Taiwanese politician in justifying policies that would appear to violate specific voting constituencies' notions of *status quo*, this thesis offers a contrary assessment, that without a true balance of power, equilibrium cannot exist. In the case of the Taiwan Strait, the balance has been steadily shifting in favor of the PRC in all realms of national power (diplomacy, information, military, and economy) and Taiwan has been forced to accept a new reality. What could be construed as a dynamic equilibrium established through peaceful reassurance mechanisms from an optimistic perspective could be considered coercion via unrestricted warfare through a realist interpretation. Richard Bush, in his recent analysis of the cross-Strait situation, *Uncharted Strait: the Future of China–Taiwan*, describes this interpretational dilemma of the PRC's methods as "mutual

109 Morgenthau, *Power*, 180.

110 Ma Ying-jeou, Video Conference Public Session and Panel, Stanford University, 15 April 2013.

persuasion" as opposed to "power asymmetry."[111] Qian Qichen, vice premier of the PRC at the time, made the following comments on the duality of the strategy in 2000:

> Comrade Deng Xiaoping used to say that we should use "two hands" in settling the Taiwan issue and not rule out either of the two ways: Doing as much as we can with our right hand to settle the issue peacefully because the right arm is stronger. However, in case this does not work, we will also use the left hand, namely military force.[112]

While Bush makes a convincing argument that neither Taiwan nor the PRC has totally abandoned an approach of mutual persuasion, this author would suggest that any persuasion that is based on an obvious power asymmetry is, by definition, coercion; and further, that there is no real separation between the terms—only a scalable range of persuasion, coercion, and blunt force, made possible by the existential recognition of the power asymmetry at the core of the issue.

C. PRC POWER ASYMMETRY: "COMPREHENSIVE NATIONAL POWER"

> Dealing with a potential contingency in the Taiwan Strait remains the PLA's primary mission despite decreasing tensions there—a trend which continued following the reelection of Taiwan President Ma Ying-jeou in January 2012. In this context, should deterrence fail, the PLA could be called upon to compel Taiwan to abandon independence or to re-unify with the mainland by force of arms while defeating any third-party intervention on Taiwan's behalf.[113]

The PRC's strategy for diplomatic isolation of Taiwan in the world is a clear and present concern. In 1969, seventy-one countries recognized the ROC, while only forty-eight countries recognized the PRC as the legitimate government of China. In 2013, 172 countries recognize the PRC and only twenty-three nations officially recognize the ROC. For the twenty-three countries that continue to recognize Taiwan, the PRC and Taiwan were thought to have entered into an unwritten diplomatic truce since 2008 in conjunction with cross-Strait negotiations. In the past year, however, the PRC has

111 Richard Bush, *Uncharted Strait: the Future of China–Taiwan Relations* (Washington D.C.: Brookings Institute, 2013), 159.

112 Ibid, 144.

113 Department of Defense, "2013 Annual Report to Congress: Military and Security Developments Involving the People's Republic of China," May 2013, 12.

possibly resumed coercive diplomacy, including dangling economic incentives and diplomatic demarches, as was seen in March of 2013, when President Ma attended the inauguration of Pope Francis. After Ma had a brief audience with the new Pope, China's foreign ministry responded by calling on the Vatican to "recognize the Chinese government as the sole legal representative of all China." While the Vatican continues to recognize Taiwan, China continues to be the only country with a state-run Catholic church that does not recognize the Pope.[114]

By 2008, the U.S. State Department's international-security advisory board had officially recognized the manifestation of this strategy:

> It is essential that the United States better understand and effectively respond to China's comprehensive approach to strategic rivalry, as reflected in its official concept of "Three Warfares." If not actively countered, Beijing's ongoing combination of psychological warfare (propaganda, deception, and coercion), media warfare (manipulation of public opinion domestically and internationally), and legal warfare (use of "legal regimes" to handicap the opponent in fields favorable to him) can precondition key areas of strategic competition in its favor.[115]

Though examples of coercive bilateral diplomacy remain, the PRC has conducted a notable shift since 2008, from engaging in primarily bilateral international relations to establishing its leadership of multilateral regional forums, such as the Shanghai Cooperation Organization and the ASEAN Regional Forum (ARF). Similarly, the PRC has increasingly asserted the PRC's foreign-policy agenda in global institutions, such as the World Trade Organization and the G20, and continues to affirm its fundamental non-interventionist stance as a permanent member of the security council of the United Nations. Some of the primary events that influenced this shift include the election of mainland-oriented KMT President Ma in Taiwan, the reestablishment of cross-Strait talks, and the successful hosting of the Olympics in Beijing—all of which served as a springboard for a bold new international diplomatic platform.

[114] Austin Ramzy, "New Pope Offers Taiwan rare Chance for Diplomacy," *Time World*, 20 Mar 2013, accessed online at http://world.time.com/2013/03/20/new-pope-offers-taiwan-rare-chance-for-diplomacy/, 12 Apr 2013.

[115] Ibid, 4.

Militarily, there is no question the People's Liberation Army (PLA) is in a better relative position to conduct assigned tasks to "compel reunification" with Taiwan than it was in 1996, and significantly more prepared than in 2008. While the PRC is likely intent on maintaining positive cross-Strait relations during its window of strategic opportunity for growth and development (projected to last until 2020), it will not take the military option off the table. Indeed, its military forces are primarily focused on improving capabilities specific to Taiwan-related operations, including a joint blockade, air- and missile-strike campaign, full-scale amphibious invasion, and a limited force or coercive option (i.e. a cyber-attack in conjunction with economic and political activities). The PLA's military modernization program, based on an average of 13 percent growth in annual defense budget since 1989, has yielded an impressive array of forces, with capabilities similar to or better than Taiwan's defense capabilities could withstand and the U.S. can keep forward deployed. General assessments by security experts at RAND-sponsored PLA conferences before 2008 projected that by 2015, PLA Taiwan-related forces would have a quantitative advantage in the early stages of Taiwanese conflict, such that U.S. ability and willingness to intervene would be significantly diminished. A more troubling shift has occurred since 2008, both in the quantitative realm, and the qualitative realm, as training has progressively become more realistic, more functional, and more versatile, while staying focused on improving capabilities to bring to bear against specific U.S. weaknesses in terms of conflict in the Taiwan Strait. Though the U.S. military has become battle hardened following a decade of low-intensity conflicts in Afghanistan, Iraq, and other Global War on Terrorism engagements, the PLA has been meticulously drilling for high-intensity, major combat operations, with the U.S. military as the notional target.[116]

Economically, the PRC continues to be the growth engine of the world, especially after the global financial crisis of 2008, where it has been the only major developed country to maintain growth near 10 percent. Since 1979, China's annual real GDP has grown on average by 9.9 percent; in 2010 it surpassed Japan as the second-largest

116 James Holmes and Toshi Yoshihara, "Deleterious Neglect: Will the U.S. Navy Surrender Maritime Asia?", *The Diplomat*, May 17 2013.

economy in the world and is projected to surpass the U.S. as the largest economy in the world between 2016 and 2018. In terms of trade, the PRC continued to run a massive trade surplus of 157.9 billion dollars in 2011, and is the world's top exporter of manufactured goods and second-largest importer of goods. As the world's most prolific trader, the PRC has smartly entered into fifteen free-trade agreements (FTAs), with nine additional FTAs in various stages of negotiation or consideration by the PRC's ministry of commerce. The most politically relevant FTA the PRC has undertaken, however, is not managed by the ministry of commerce, but by the Taiwanese-affairs office. The PRC–Taiwan Economic Cooperation Framework Agreement (ECFA), signed in June 2010, could be considered the most important development in PRC–Taiwan relations since 1949, because of the implications it has for interdependency leading to potential peaceful reunification. Indeed, there can be no status quo for Taiwan economically, as the trend in East Asia has most nations moving towards economic liberalization through China-led FTAs (especially the ASEAN Plus Three). Promoting the current status quo would put Taiwan in a negative position compared with other peer competitors such as Vietnam and South Korea, and thus, if only for its economic vitality, Taiwan had no other option but to sign an extensive economic agreement with the PRC. By 2020, economic benefits through ECFA for Taiwan could amount to more than 20 billion dollars in additional annual GDP. Interestingly enough, the PRC actually has more to gain economically from other FTAs, such as ASEAN Plus Three (APT), but has been upfront that the ECFA, while providing economic benefits for Taiwan, is more about providing a mechanism for increased cooperation and mutual trust, leading to peaceful reunification.[117]

Clearly the increased relative power that new PRC president Xi Xinping has inherited from Hu Jintao will provide him with a more compelling platform to move the country down the path from a "harmonious society" toward the "China dream." The darker side of Xi's China dream, however, lies in the close tie between Chinese nationalism, military power, and the incontestable wisdom of the Chinese Communist Party (CCP). How exactly the PRC's growing power will manifest as asymmetry of

[117] Dan Rosen and Zhi Wang, *The Implications of China-Taiwan Economic Liberalization*, (Washington D.C.: Petersen Institute for International Economics, 2011), 1–3.

power in the Strait continues to grow, is the 64-million-dollar question. Professor Alice Miller and Paul Godwin, who recently completed an insightful examination of the PRC's history of deterrence calculus and threat signaling, concluded that although China has sought a consistent policy of avoiding military confrontation with the U.S. through the systematic use of deterrence signaling, it does not necessarily apply to Taiwan, where "Chinese hold the view that whereas Taiwan involves a core interest for China, it is only of marginal strategic interest to the United States."[118]

D. REDEFINING THE U.S. POSITION

The U.S. military position in Asia has been maintained during China's ascendancy, with specific focus on integrating the operational capabilities of U.S. allies such as South Korea and Japan; but the degenerative impact of more than a decade of focused conflict in the Central Command (CENTCOM) area of responsibility (AOR) has been substantial. U.S. military capabilities deployed to East Asia have not advanced significantly during the PRC's sustained modernization program initiated in the 1990s, with the vast majority of U.S. platforms being designed in the 1970s–1990s, and some key capabilities based on forty-year-old technologies. Though rapid modernization has occurred in the PLA, the focus has been on attaining the right type of capabilities to deploy in specific contingencies against its perceived enemies—primarily the U.S. Navy. The U.S. does have a clear advantage now and into the near future in some basic characteristics, such as acoustic sound quieting for submarines, and air-to-surface strike capabilities, but what is not appropriately recognized is the degradation in both quantity and quality of critical U.S. warfare capabilities relevant to conflict with the PRC, especially in a Taiwanese contingency.

A prime example of this degradation was seen in the October 2006, when the PLAN was able to successfully penetrate the antisubmarine-warfare screen of the U.S. Navy's most important task force in the region: the USS *Kitty Hawk* forward-deployed-carrier strike group. The PLAN submarine was only discovered after it had surfaced

[118]Alice Miller and Paul S. Godwin, "China's Forbearance Has Limits: Chinese Threat and Retaliation Signaling and Its Implications for a Sino–American Military Confrontation," *China Strategic Perspectives,* Institute for National Strategic Studies, National Defense University, April 2013, 2–3.

within torpedo range of the Seventh Fleet's high value unit (HVU). Although the *Kitty Hawk* encounter was an isolated event, the PLAN's efforts to field a modern, capable navy that can operate specifically against the U.S. Navy have increased dramatically since 2006.[119]

1. The Question of Arms Sales to Taiwan

The former Assistant Secretary of Defense for East Asia, Lieutenant General (Ret.) Wallace Gregson, commented in 2009 that Taiwan's military "will never again have quantitative advantages over the PLA."[120] Gregson, a respected and experienced Vietnam combat veteran, went on to advocate an innovative asymmetrical approach to Taiwanese defense, and though this concept has started to gain traction both within Taiwanese defense-related think tanks and the Taiwanese Ministry of National Defense (MND), Taiwan continues to request high-visibility, high-priority equipment such as Arleigh Burke-class Aegis-equipped destroyers, advanced fighter aircraft (F-16 C/Ds), and diesel submarines. The Taiwan arms-sales debate continues to be the most hotly contested issue covered in the TRA, and from the PRC's perspective runs counter to the 1982 communiqué, which indicates arms sales will gradually decrease as the security situation in the Strait improves. The TRA states:

> The President and the Congress shall determine the nature and quantity of such defense articles and services based solely upon their judgment of the needs of Taiwan, in accordance with procedures established by law. Such determination of Taiwan's defense needs shall include review by United States military authorities in connection with recommendations to the President and the Congress. [121]

The PRC has possibly recalculated the utility of the provocative fire-power demonstrations it conducted in the Taiwan Strait in 1996, but has not renounced the use of force; and the potency of PLA power in the Strait continues to grow. The PRC would

119 "China sub stalked USS Kitty Hawk," Washington Times, November 13 2006.

120 Kan, "Taiwan Arms Sales..,"4, 30-31.

121 Shirley Kan, "Major Taiwan Arms Sales: 1990–Present," *CRS, 29* November ,2012, 30–31; Wang Jyh-Perng, "No Distinction in Blue or Green in Fighting for Taiwan's Survival!," Association for Managing Defense and Strategy, Dec 2011, OSC Summary -- CPP20130222312001001: "Taiwan Relations Act.," 22 Feb 2013.

have near-complete control of the operating environment in the Strait as it stands currently, with more than a thousand advanced short-range ballistic missiles (SRBMs), its most capable strike aircraft, long-range surface-to-air missiles (SAMs), and coastal-defense cruise missiles (CDCMs) at deployment sites providing complete coverage of the Strait. So while additional arms sales would be justified under the terms of the TRA, as former-secretary Gregson noted, the calculus for Taiwan is already so far off balance that many question the rationale of continued sales of U.S. military equipment to Taiwan, which would likely not survive the first week of combat with the PLA—or if it did survive, would eventually fall into the hands of the PLA.[122]

2. Important American Assessments of the Situation in the Taiwan Strait

Richard Bush argues in his most recent examination of the cross-Strait situation that current U.S. policy is basically adequate, but this determination seems to be based on the assumption that if the U.S. ever had the power to determine the resolution of the Taiwan issue, it does not anymore. Bush concludes the analysis by writing,

> …there are too many factors constraining the United States to permit a major intermediation role. A central premise of U.S. policy remains sound: any agreements between Taiwan and China will be more enduring if they themselves create the agreements and are responsible for their implementation.[123]

Shelly Rigger, the foremost Taiwan expert in the U.S. makes a more sentimental case than Bush, saying,

> To understand why Taiwan matters we must consider not only what it does, but what it is. Making sure Taiwan has a voice in deciding its own future is important to the United States and other democratic countries because democracy in Taiwan is an indicator and inspiration for democracy everywhere.[124]

[122] Department of Defense, "Annual Report to Congress: Chinese Military Power, 2013," May 2013, 57–59.

[123] Richard Bush, *Uncharted*… 243.

[124] Shelly Rigger, "Why Taiwan Matters: Small Island, Global Powerhouse," (Lanham: Rowman and Littlefield, 2011), 159.

She also highlights the opinions of Americans who remember WWII and the early years of the Cold War, most notably Admiral Eric McVadon, who said,

> Taiwan is like a blood brother, it need not do any more to warrant loyalty. The PRC is, in contrast a stranger….I have gone to great lengths to listen to and understand the Chinese position on Taiwan—even with its inordinate share of people who believe that the party of Mao Zedong, the Great Leap Forward and the Cultural Revolution have all the answers—including the future of Taiwan.[125]

Rigger eloquently concludes that,

> Taiwan offers proof that development—both political and economic—is possible, but its experience shows how fragile states' independence really is. It reveals that the autonomy most nations take for granted ultimately rests on the forbearance of the strong or on wobbly balances of power, that when they shift, leave nations defenseless.[126]

Other important commentaries of the regional strategic situation include Joseph Nye, whose ideas of soft power and smart power have heavily influenced the Obama administrations, especially during the years when Hillary Clinton was secretary of state. Nye, has in fact, been asked to accompany delegations of bipartisan politicians to hear the concerns of China and Japan, while giving the U.S. perspective of tensions in the region, including the East China Sea issue and Taiwan. In a recent piece for *The American Interest*, Nye succinctly lays out the major strategic shifts in East Asia over the past sixty years, examines the possible trajectories of Japan and China in competitive and cooperative scenarios, and evaluates the evolution of the dual-track diplomacy that the U.S. has endorsed and Japan has followed with regards to China, known as "engage and hedge" and later termed "challenges and opportunities." Nye argues that a guiding principle of engage and hedge is that the U.S. has deliberately chosen to accept the rise of China as a responsible stakeholder instead of applying a rigid containment policy that could force conflict. One of his most important points, however, comes in addressing the fear of a rising China:

[125] Ibid.

[126] Ibid, 196.

> The fear is not necessary, however, if we remember that Asia is not one entity. It has its own internal balance of power. Japan, India, Vietnam and other countries do not want to be dominated by China, and thus welcome an American presence in the region. Unless China proves able to better develop its soft power of attraction, the rise in its hard military and economic power is likely to frighten its neighbors into seeking coalitions to balance against it.[127]

While Japanese commentators have made similar assessments of Asia's longstanding equilibrium based on the historical dominance of China, Nye's prescription seems to counteract the desired outcome. In Nye's balance-of-power calculus, the PRC's soft power rise could actually be the biggest threat to U.S. long-term interests in the region. Though Nye acknowledges the organic regional balance of power, he seems to neglect the fundamental reality that the severity of the consequences of the rise of China depends, literally, on where you live. Living in Tokyo, or, much closer to the PRC, in Taipei, would fundamentally change the comfort with the shift in equilibrium Nye describes.[128]

Another significant interpreter of the strategic situation in East Asia is Francis Fukuyama. In January of 2013, Fukuyama wrote a blog entry entitled "Life in a G-0 World," in which, after making the case that although the U.S. remains the most powerful country in the world, he points out that it is less willing to use its power; and further, that this reluctance will have an increasingly significant effect on allies of the U.S., especially Japan. For the purpose of this thesis, one of Fukuyama's relevant assessments is that, in a G-0 world, "The issue is most acute for Japan and other countries that have been close U.S. allies that will face critical choices as American power retreats."[129] Correspondingly, the dynamic of the relevant decline of U.S. power has manifested clearly in the narrative of the perceived abandonment of Taiwan, and Japan's reaction to it. In his conclusion, he argues that while Japan has an increasing role to play in the

127 Joseph Nye, "Our Pacific Predicament." Mar/Apr 2013, accessed online at http://www.the-american-interest.com/article.cfm?piece=1388, on May 2, 2013, 10.

128 Ibid.

129 Francis Fukuyama, "Life in a G-0 World,"*American Interest Online Blog Democracy, Develoment, and the Rule of Law*, accessed online at http://blogs.the-american-interest.com/fukuyama/2013/01/28/life-in-a-g-zero-world/, on 2 May 2013, 1.

region as the U.S. retracts, it should not attempt to emerge unilaterally. Rather, Fukuyama says,

> The appropriate response to these changing circumstances should not be greater unilateralism on the part of Japan, Korea, or any of the states of ASEAN. In particular, the new Abe administration risks alienating the very friends it will need, including the US, if it insists on defending a certain nationalist narrative of the 20th century. Individually China's neighbors are too weak to face this rising power on their own. A new kind of multilateral structure is required, not to isolate and "contain" China, but rather to build bargaining leverage so that the territorial issues can be settled peacefully with China's cooperation. In the end, everyone is going to have to deal with the reality of growing Chinese power, and find ways of accommodating it even as they defend their core interests.[130]

Clearly the "rebalance" strategy outlined in the current National Security Strategy (NSS), and National Defense Strategy ("Sustaining U.S. Global Leadership: Priorities for 21st Century Defense, 2012") and the development of the Joint-Operational-Access Concept (JOAC) in 2012 indicates the U.S. has no immediate intention of being forced out of the region. The current U.S. administration has also likely recognized, however, that it must provide space for China to grow. Though the U.S. is intent on maintaining a presence in the region, the current interaction between Taiwan and the PRC has likely fallen to a lower priority—below concerns over rebalancing the global economy, working with the PRC as a permanent member of the UNSC on more pressing security issues (such as Iran and North Korea), and other global issues, such as climate change. At least in the near term, the U.S. will be focused on influencing conditions for the process of reconciliation, instead of the more ambitious goal of shaping the outcome. Thus, while more conservative groups in the U.S., and specifically the Taiwan lobby within Congress, may be increasingly concerned about the growing dependency of Taiwan on the PRC, the official line in the current administration can be summed up in the last U.S.–PRC joint statement, which states, "The United States applauded the Economic Cooperation Framework Agreement between the two sides of the Taiwan Strait and welcomed the

130 Ibid, 3.

new lines of communications between them."[131] From the perspective of national interests, though the U.S. has been very involved in the economic vitality and security of Taiwan through the application of multiple tools along a spectrum of economic and balance-of-power mechanisms over the past sixty years, U.S. interests in Taiwan in this new era are dominated by crisis management and economic interests in the PRC.

E. TAIWAN'S POSITION: CROSS-STRAIT RAPPROCHEMENT AND DIPLOMATIC SPACE

With KMT president Ma Ying-jeou coming to power in a landslide election in 2008, following eight years of somewhat turbulent democratic rule by the independence-leaning Democratic Progressive Party (DPP), many observers in the PRC, the U.S., and in the region were relieved. There would be no show of force in the waters surrounding the island or stirring speeches of "state-to-state" relations, at least in the foreseeable future. While the power asymmetry of the PRC described in previous sections should not be completely disconnected from this result, the democratic reality is that in 2008, the people of Taiwan voted for Ma's platform of "cross-Strait rapprochement: minimizing risk, maximizing opportunities,"[132] and though with a less formidable margin, validated this general platform again in 2012.

In his inaugural address in 2008, Ma began on an optimistic note, saying:

> Taiwan's democracy has been treading down a rocky road, but now it has finally won the chance to enter a smoother path. During that difficult time, political trust was low, political maneuvering was high, and economic security was gone. Support for Taiwan from abroad had suffered an all-time low. Fortunately, the growing pains of Taiwan's democracy did not last long compared to those of other young democracies. Through these growing pains, Taiwan's democracy matured as one can see by the clear choice the people made at this critical moment. The people have chosen clean politics, an open economy, ethnic harmony, and peaceful cross-strait relations to open their arms to the future.[133]

131 President Barack Obama, "U.S.–PRC Joint Statement of 2011– January 19, 2011"; Susan Lawrence, "U.S.–China Relations: Policy Issues," *CRS*, August 2012, 3–5.

132 Office of the President, Republic of China, accessed online at http://english.president.gov.tw/Default.aspx?tabid=1124&itemid=26544&rmid=3048, on May 15, 2013.

133 Ibid.

Indeed, the first four years were full of accomplishments, most notably in the realm of cross-Strait relations. By April of 2009, cross-Strait negotiations were reinitiated under the "1992 consensus," and eighteen cross-Strait agreements were signed, including the landmark Economic Cooperation Framework Agreement (ECFA) in 2010. Though many observers saw ECFA as a simple normalization of the PRC–Taiwan economic relationship, in reality it has proved to be much more.

1. What is ECFA?

ECFA is both more and less than a "gold-standard" free-trade agreement such as the Trans-Pacific Partnership: less in that it does not comply with WTO standards for complete eradication of all tariffs on goods and services, and more in that it is an advantageous economic agreement for Taiwan, tailored specifically for the cross-Strait economic relationship. First and foremost, it is a structural mechanism for coordination between the PRC and Taiwan that could develop into a comprehensive FTA. Second, and more important to the PRC, it is a vehicle to build mutual trust and increase positive cross-Strait interactions, with implications for eventual political progress. President Ma and PRC Taiwan Affairs Office interlocutors have typically referred to this in a general sense of dealing with "economics before politics," and "easy issues before hard ones," but all in the context of eventual unification under the One-China principle.[134]

Clearly, what Taiwan stands to achieve in the near term from ECFA is sheer economic gain. The "early harvest" benefits include more than 520 items from Taiwan on which tariffs have been removed for sale in mainland markets. In comparison, less than half that number of mainland goods has had any tariff reduction at this point. Tariff cuts under ECFA from March 2011 to March 2012 saved Taiwanese businesses 225 million U.S. dollars, and contributed to a 6–8 percent increase in annual exports to the PRC. In addition to selling its goods at more competitive prices in the mainland, the increased availability of mainland goods at cheaper prices will generally be beneficial to Taiwanese consumers. In general, Taiwanese business competitiveness has been stifled by

134 Daniel Rosen, and Wang Zhi, *The Implications of China-Taiwan Economic Liberalization*, (Washington D.C.: Peterson Institute for International Economics, Jan 2011), 1–54.

protectionist measures, primarily in areas of manufacturing inputs for light and heavy industries. Allowing more PRC goods into the product-manufacturing line will, in the end, allow Taiwan to produce more competitive, high-value-added products. In addition to increased trade at reduced prices on both sides, ECFA has the potential to increase mainland investment in Taiwan and allow Taiwan businesses, especially in the service sector, to break into the lucrative and previously restricted mainland market. Finally, the potential capital flight from Taiwan out of sheer concern for continued tensions in the Strait with the region's most important economy is significantly allayed by ECFA and by the subsequent Investment Protection Agreement, which was initiated through ECFA negotiations.[135]

While the early-harvest benefits have been substantial, potential benefits from full liberalization are profound. Based on Peterson Institute modeling using Global Trade Analysis Project (GTAP) formulas, Taiwan is projected to increase its 2020 GDP by 4.5 percent ($21 billion) from the current trend line, strictly due to ECFA benefits. Considering other FTAs that would take effect in the region and the perception of economic stability that the ECFA would bring, the actual economic gain by 2020 for Taiwan under ECFA conditions could be significantly higher (Rosen and Wang project 5.3 percent). Another important figure is that if Taiwan did not sign the ECFA and China goes forward with the ASEAN+3 (Japan, China, and South Korea), Taiwan would stand to lose at least 3 billion dollars off the current projected 2020 GDP.[136]

In promoting ECFA to the Legislative Yuan (LY) and Taiwanese public, President Ma has focused on the potential ECFA has to open a pathway for Taiwan to other bilateral and multilateral free-trade agreements in the region and beyond. While the PRC has not stated clearly where it stands and how this potentiality could be accomplished under the auspices of ECFA, Taiwan is willing to test the waters. The PRC's highest political adviser, Jia Qianlin, recently commented that in addition to all of the specific economic benefits ECFA provides to Taiwan, "Taiwanese businesses are welcome to join hands with their mainland counterparts in exploring the global

135 Taiwan Affairs Office of the State Council PRC, www.gwytb.gov.cn/en, accessed 15 Sep 2012.

136 Rosen and Wang, *Policy Brief*, 3; Tung Chen Yuan

market."[137] In essence, Taiwan might be welcome to seek FTAs with other countries, so long as the FTA goes through the PRC. One of the first tests of this policy will come sooner rather than later, as according to President Ma in April 2013, Taiwan may sign economic and trade pacts with Singapore and New Zealand by the end of 2013, and hope to negotiate with Japan in 2014.[138] While additional diversification of economic liberalization for Taiwan would bring a certain sense of autonomy and potential leverage in future negotiations, it might not add much economic benefit. Petersen institute modeling for Taiwan's participation in a regional free-trade block, such as APT, shows only modest gains, especially when compared to the initial boost provided through ECFA. In essence, Taiwan's best option economically is to hone in on mainland markets and increase opening of domestic markets to cheap mainland goods.[139]

ECFA may indeed be necessary for Taiwan's economic viability, but the associated vulnerability to mainland coercion through increased interdependency has been a significant driver of public opinion. In May 2013, a *Taipei Times* article highlighted the limited impact of ECFA, noting only modest increases in Taiwan exports, a limited increase in investment in Taiwan, and an increase of capital outflow. Earlier criticisms by primarily DPP commentators were much more outspoken. Chen Shui-bian's vice president, Lu Hsu-lien, commented recently that the "historic meaning" of ECFA was simply that it has laid the foundation for China's attempt to use economic integration to reach its ultimate goal of political unification."[140]

Though the debate on ECFA continues, the impact of U.S. $160 billion in cross-Strait trade in 2012—more than double that of the year prior to ECFA (U.S. $86 billion in 2009)—is undeniable. Similarly, staggering statistics of the increase in overall interaction in the past five years cannot be overlooked. In 2008 there were no direct cross-Strait flights; as of April 2013, there were 620 flights per week. In 2008, there were just over

137 Ibid.

138 Ma Ying-jeou, "Steering through a Sea of Change," Live VTC with Stanford Univesity FSI, 15 April 2013.

139 Rosen, *The Implications*, 99.

140 Staff writer, "Presidential office accuses Lu of slander," *Taipei Times*, 21 Mar 2011, accessed online at http://www.taipeitimes.com/News/taiwan/archives/2011/03/21/2003498732, on 2 May 2013.

250,000 PRC visitors to Taiwan; in 2012, there were more than 2.5 million. The number of PRC students in Taiwan, currently 17,000, is projected to more than triple in the next three years. Correspondingly, seven new official offices in both the PRC and Taiwan have been opened in the past five years to manage increased cross-Strait interaction. In the short-term, ECFA has been the mechanism for increased cross-Strait coordination leading to an unprecedented period of peace and stability. While stability in the Strait is ultimately favorable for the region, ECFA presents a multi-tiered concern for Japan. Most directly, Japan's economic interests in Taiwan are now at risk of being overtaken by PRC interests, which have incentives for increased involvement in Taiwan. Secondly, the implications for ultimate political reconciliation with the PRC run counter to Japan's balance of power interests in Taiwan. [141]

2. Taiwan's Security and Diplomatic Space

Taiwan under Ma has pursued a tripartite security strategy, with cross-Strait rapprochement as the primary tenet, maintaining diplomatic space as the second, and a strong defense as the third. Though the second and third tenets have unilateral elements, they are also tied to the first, in that the ultimate objective is to maintain conditions for more equitable terms in negotiations with the PRC and to increase its *de facto* sovereignty in the international arena. In a recent live video-teleconference with Stanford University's Freeman Spogli Institute (FSI), Ma spoke about the second tenet most prominently. Setting the scene, Ma spoke of how amid the backdrop of the global financial crisis, regional economic integration, and cross-Strait cooperation, Taiwan remains a shining example of democracy in the Chinese-speaking world. While tensions on the Korean peninsula are high, tension in the Strait are at a sixty-year low, but other regional challenges to stability remain, including increased competition between the U.S. and China and disputes by regional claimants of both the East China Sea (ECS), and South China Sea (SCS). Contributing to this period of potential transformation in East Asia, there have been changes of leadership in China, South Korea, and Japan in 2013. Ma eloquently centered on Taiwan's role in the region and the world "as responsible

141 President Ma Ying-jeou, Live VTC with Stanford FSI, 15 April 2013; Foreign Policy Report, 8th Congress of the Legislative Yuan, 2th Session, 4 October 2012.

stakeholder, facilitator of peace, provider of humanitarian aid, promoter of cultural exchanges, creator of new technologies and opportunities, and standard bearer of Chinese culture."[142]

Ma continued to convey that, although the first two tenets of the national security strategy were preferable for diplomatic action, the third tenet is absolutely necessary for the survival of Taiwan and the protection of Taiwan under the obligations of its constitution. Specifically, Ma emphasized that Taiwan's defense capabilities during his tenure have been augmented by more than USD $18 billion in new approvals of U.S. armed sales, as well as a commitment to transition to an all-volunteer professional force. Looking ahead Ma continues to advocate the maintenance of Taiwan's defense capabilities:

> Over the next four years, we shall continue to purchase weapons of a defensive nature that we cannot manufacture ourselves, and shall complete the transition to a volunteer armed force. Necessary supporting measures will also be taken. And, with a "rock solid defense and effective deterrence" military strategy and "innovative and asymmetrical" thinking, we shall establish a streamlined yet professional and sturdy national defense force.[143]

Though Ma covers the right talking points, it has been widely acknowledged that Taiwan's defense, which remains heavily reliant on U.S. support, is in decline and will need to move forward more unilaterally. A prominent Taiwanese defense commentator summed up this critique in 2012, saying:

> Under the stable relations that currently prevail across the Taiwan Strait, Taiwan's national defense capability is being continually reduced in both quantitative and qualitative terms. If this process goes on without instituting the major changes that are needed to make our armed forces proficient, strong and skillful, then making them small can only go on making them weaker.[144]

142 Ibid.

143 President Ma Ying-jeou, Inaugural address, May 20 2012, accessed online at http://english.president.gov.tw/Default.aspx?tabid=491&itemid=27199, on 2 Mar 2013.

144 Wang Jyh-perng, "Now is no time to degrade military," *Taipei Times* (in English) accessed online at http://www.taipeitimes.com/News/editorials/archives/2012/02/04/2003524628/2.

3. "A Special Partnership" with Japan

Notably missing from most of the preceding discussion on the updated cross-Strait situation was the Japanese factor, and how Japanese commitment to Taiwan could be a game changer, though not fully acknowledged or accepted by the PRC or the U.S. in predominant narratives. Taiwan, however, seems to recognize that a "special partnership" with Japan, which was established in 2009, is one of the central pillars of its efforts to maintain international space. This special partnership is backed by widespread public support and made functional through expanding business, cultural and political exchange.

From 2006–2009, public-opinion polls conducted by independent polling agencies hired by Japan's *de facto* embassy, the Interchange Association Japan (IAJ), provided some intriguing results. In 2006, polls in Taiwan showed that the country Taiwanese people wanted to travel to for vacation most was Japan (52.7 percent), followed by the U.S. (28.2 percent), and China (17.2 percent). In the same poll, Taiwanese people said they would most want to move to Japan (32.3 percent), the U.S. (29.7 percent) and then Canada (26.5 percent). Similarly, when asked what country they most respected, Taiwanese people responded that they most respected Japan (47.5 percent), the U.S. (40.3 percent), and then China (15.8 percent).[145] In a public opinion poll conducted in Taiwan in 2009, when asked "What is your favorite country (other than Taiwan)?" 52 percent answered Japan (increased from 38 percent the previous year), compared to 8 percent for the United States, and only 5 percent for the PRC.[146] This friendly sentiment expressed by the Taiwanese public was shown as Japan was dealing with the massive Eastern Japan disaster in March 2011. The Taiwanese government donated 260 million USD to the relief effort—the largest monetary contribution by any one nation, by far. Economically, Japan is Taiwan's second-largest trade partner, following only the PRC. In the political realm, when Taiwan President Ma Ying-jeoh

[145] Global View Survey, Jul 2007, as accessed online at http://www.youtube.com/watch?v=BXY29UuZ33Q, on 3 May 2013.

[146] The Public Opinion Research in Taiwan on Perceptions about Japan, Interchange Association, Japan, available at <http://www.koryu.or.jp/taipei/ez3_contents.nsf/04/4B83AF9AE8363E8D492576EF002523D4?OpenDocument>, accessed on December 21, 2012.

gave his inaugural speech in 2012, he cited Taiwan's diplomatic efforts with specific emphasis on Japan, saying, "Our 'special partnership' with Japan represents the friendliest state of bilateral ties in forty years." This appraisal was furthered in Taiwan's latest foreign-policy report (October 2012), when, in outlining Taiwan's strategy for coping with continuing change in the strategic environment, a "deeper friendship with Japan" was the second-most-important tenet listed, even before "closer relations with the United States." It was also interesting to note that, in contrast to his inaugural address in 2008 when Japan was not mentioned, Japan was mentioned in five distinct points by Ma in 2012.[147]

Despite this trend of closer ties and public sentiment, rough seas would appear to dominate the headlines of the current relationship. A Google search of "Japan and Taiwan" in March of 2013 produced pages of developments on the East China Sea dispute over the Senkaku/Diaoyutai islands, claimed by Japan, the PRC, and Taiwan. Though Taiwan has indicated it will not coordinate with the PRC on the issue and has committed to resolving the issue peacefully, Taiwan and the PRC are ephemerally aligned against Japan's claims over the islands. As the Taiwanese government and the PRC focus on actively seeking areas of convergence, however, Japan has found that it can be an increasingly important role-player for Taiwan. Indeed, Taiwan seems to use its relationship with Japan to prove to its own citizenry that it is actively maintaining diplomatic space. In the case of the East China Sea dispute, amid the highest tensions between the PRC and Japan, Japan and Taiwan reached a functional agreement for resource sharing in the disputed areas in April 2013, and have followed up with multiple coordination events to ensure the agreement is effectively implemented. This reality is captured in Okazaki's optimistic piece, "Fighting Peace for Taiwan" following Ma's re-election in 2012, which notes how Ma has begun to balance increasingly unpopular cross-Strait initiatives with popular functional private and cultural appreciation agreements with Japan.[148]

147 "President Ma's Inaugural Address," 21 May 2012, Taiwan MOFA website, http://www.mofa.gov.tw/EnOfficial, accessed on 1 Mar 2013.

148 Hisahiko Okazaki, "Fighting Peace for Taiwan," *The Japan Times*, 05 Jun 2012.

In essence, despite a serious shift in equilibrium, embodied in Ma's rapprochement agenda towards cross-Strait reconciliation, a deeper relationship with Japan offers important diplomatic space for Taiwan, even as its reliance on the United Sates potentially decreases and dependency on the PRC increases. Despite undeniable political skill and creativity in achieving cross-Strait stability, while seeking improved functional bilateral and multilateral ties around the region and beyond, Ma's public approval has sunk to below 20 percent, likely due to a sluggish economy and public perception that Ma is not asserting Taiwan's sovereignty in the cross-Strait negotiations and in relations with other nations. Progress with Japan, in many ways, can be seen as a bright spot that serves the interests of the people of Taiwan and provides political capital for progress in other potentially controversial issues. Yet if the progress Ma has achieved in cross-Strait relations is not as popular as he may have anticipated, what will the Taiwanese public feel about continued rapprochement in 2016, when Ma is ending his final term? The reality remains that the 24-million people of Taiwan are not ready to be under the control of Communist China. While agreement with Japan on fishing rights in disputed waters was a brilliant diplomatic achievement providing proof of diplomatic space for Taiwan in the near term, looking ahead, it is important to understand that sentiment in Taiwan might support significantly enhanced ties with nations other than the PRC. As we will see in the following section, Japan is especially poised to be a nation that provides other options for Taiwan outside of its negotiations with the PRC—mainly because it is in Japan's national interests to do so.

F. JAPAN'S GRAND STRATEGY AND FOREIGN POLICY DEVELOPMENT

> The time has come for Japan to develop a sense of purpose for contributing to a peaceful world on a scope commensurate with its enormous economic and technological strength. Japan needs a grand strategy consonant with its self-image as a humanistic, democratic and peaceful nation, and a strategy able to win broad support among the Japanese people. To this end, the geographic horizon of Japan's defense policy must expand beyond the region of the Japanese islands.….
>
> –Terumasa Nakanishi, *Foreign Affairs,* 1990

Building on the preceding discussion of the shifting strategic situation in the Taiwan Strait, it is important to understand Japan's current position in terms of its strategic environment, grand strategy, and political situation, so that its relationship with Taiwan can be placed in proper context. The following sections outline the predominant interpretations of Japan's place in modern East Asia, Japan's grand strategy (including its relationship with China and Taiwan) and the debate in Japan over China and Taiwan and how it relates to the current political environment.

Following several years of domestic and foreign-policy stagnation during the DPJ administrations, Japan is now primed to advance its balance-of-power interests in Taiwan under a newly codified grand strategy, as a normal nation in national security affairs with a platform of fostering deeper relationships with "likeminded" nations. This assertion is due to several convergent factors. First, the domestic debate on Japan's role in balance-of-power politics in the region has coalesced in widespread public and political support for an assertive stance against the growing threat of Chinese encroachment. This has occurred while public sentiment and political activism towards Taiwan is at an all-time high, potentially allowing more substantial economic, diplomatic, and even defense exchanges with Taiwan. Second, with the perceived retraction of U.S. commitment, however slightly, from Taiwan, and the Ma administration's thrust towards cross-Strait rapprochement, Japan has become an increasingly important role player for the government of Taiwan by providing diplomatic space from the PRC in its "special partnership" with Taiwan. Third, the re-emergence of Prime Minister Abe, who has a history of pro-Taiwan action both as prime minister and as a leader of LDP and Diet-wide pro-Taiwan factions and associations, could yield surprisingly bold initiatives in the political and security realms.

1. Japan's Assessments of the Regional and International Security Environment

Tied closely to the evolution of Japan's grand strategy is Japan's interpretation of the regional and international security environment. Consistent with a fundamentally realist outlook, it should also be recognized that Japan's ability to express viable preferences in its foreign policy has been largely because the U.S. has provided an

umbrella of peace and stability for democracy in East Asia since the Cold War. In line with this reality, Okazaki, in a forum supporting Taiwanese democracy in 2007 told the audience bluntly, "I'm sorry to say… you cannot depend on Japan. Without the support of the U.S., Taiwan's sovereignty will not be protected."[149] Japan recognizes the complexity of the security environment in the Asia-Pacific region and the international community at large, and the lack of a clear grand strategy for the past three decades is most likely due to the undetermined nature of the strategic environment. The rise of China has driven a shift in regional power, and the uncertainty of how China's power will manifest in the future is of the utmost consequence for Japan. More than any other nation, having entrusted the majority stake of its security to the U.S., Japan must watch if, when, and how, relative U.S. decline and disengagement in the region occurs. The future of Taiwan, although representing only a minute portion of the U.S.'s overall presence and engagement in the region, carries extra weight in the eyes of many Japanese observers who evaluate long-term U.S. intentions. Not only defense hawks, but even center-left Japanese analysts would conclude that any U.S. retraction from supporting Taiwan is indicative of a larger regional retraction, with direct implications for Japan.[150]

Japanese analysts have remained very attentive to developments in the cross-Strait situation. Though peace and stability in the Strait is in everyone's interests, Japanese observers quickly called attention to the potentially negative effects ECFA could bring Taiwan after its signing in 2010, and showed alarm and concern over the perceived creeping dependency of Taiwan in the Ma years. Likewise, Japanese MOD and MOFA analysts have increasingly cited the "Three Warfares" (psychological, media, and legal) as tangible elements of coercion that manifest consistently in Japan's and Taiwan's relationships with China. While many Japanese observers were fearful Ma would not be sincerely interested in maintaining good relations with Japan as it could run counter to his

149 Hisashiko Okazaki, Taiwan Next, Oct 2011, accessed online at www.youtube.com/watch?v+462dpf933JU, on 21 Mar 2013.

150 Japan Defense White Paper, 2012; Informal discussions with various Japanese experts on Defense, and China–Taiwan relations, 24-27 Sep, 2012.

primary goal of cross-Strait rapprochement, it is evident of late that Ma has realized he has to show balance, even while proceeding with a cross-Strait agenda.[151]

2. Japanese Public Opinion of China and Taiwan

The role of public opinion in influencing Japan's foreign policy decisions towards China and Taiwan should not be ignored. As evidenced by Figure 4, there has been a dramatic shift in Japanese public perception of China.

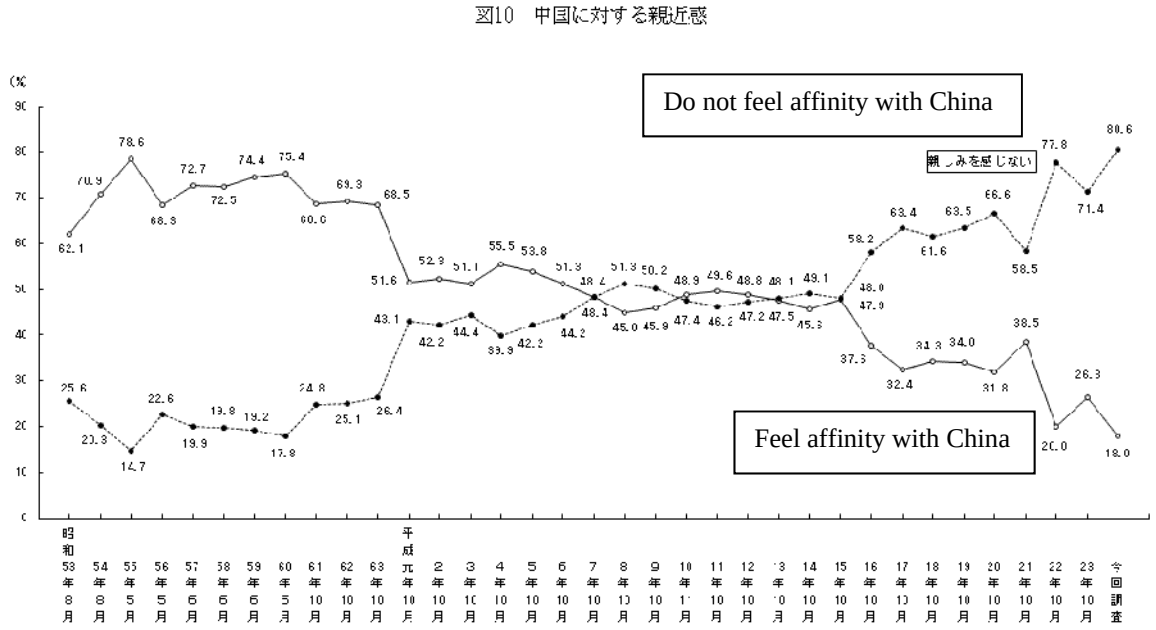


Figure 4. Japanese Public Opinion of China (Japan Cabinet Office, Public Release Oct 2012)

In 1980, 78.6 percent of Japanese respondents stated that they "feel affinity with China," whereas only 14.7 percent of respondents stated they "do not feel affinity with China." In 2012, 80.6 percent stated that they "do not feel affinity with China," whereas only 18 percent stated that they "feel affinity with China." In contrast, though Japanese opinions of Taiwan have generally remained stable, with no dramatic shifts as observed in the case of China, favorable opinions of Taiwan have increased significantly in recent

[151]NIDS China Security Report 2012, National Institute for Defense Studies, Tokyo, Japan, Dec 2012, 24.

years. In 2011, 66.9 percent of Japanese survey respondents stated that they "feel affinity" to Taiwan" (increased from 56.1% in 2009). Similarly, in 2011 Japanese respondents answering that they "think Japan's relations with Taiwan today are good" was at an all-time high at 91.2 percent (increased from 76 percent in 2009). Given this high degree of polarization of public opinion on China and Taiwan, several basic conclusions can be drawn. Conciliatory policies towards Taiwan would likely be received favorably in Japanese public opinion. Conciliatory policies towards China would likely not be received favorably, especially if they came as a result of pressure or intimidation on China's part. A telling factor is that negative public opinion of China increased significantly during the period of cross-Strait rapprochement (2008–2012), so that even with the perception of increased stability in the Strait, Japanese public opinion of China has not improved. While this is likely due to increased tensions between Japan and China over the Senkaku Islands in this period, it could also reflect a perception of increasing Taiwanese dependency on the PRC. While public opinion has not always played a large role in foreign policy, it does play an important role in building domestic consensus—and any Japanese policy development related to Taiwan would require significant domestic consensus. Current data appears to show that this is possible.[152]

3. Neo-Conservatism with Japanese Characteristics: the "Bounty of the Open Seas"

Within the framework of the "1955 system," the Yoshida doctrine served as Japan's grand strategy admirably for more than thirty years, carrying Japan from post-war reconstruction to the height of its economic strength as the number-two economy in the world and the vanguard of the East Asian economic model. After 1985, however, Japan drifted into a transitional phase where its strategy for foreign policy lacked clarity. While the pillars of the system—economic strength and the U.S.–Japan alliance—remain intact, they proved insufficient to support Japan as a truly global power in the post-Cold War environment. Richard Samuels described the situation as a "cheap-riding realism"

[152] Japan Cabinet Office Poll Report Statistics, October 2012, accessed online at http://www8.cao.go.jp/survey/index.html, on May 25 2013.

that was not appropriate to the status it desired and seemed destined to possess in the international arena.

Hisahiko Okazaki's work, *A Grand Strategy for Japan's Defense,* recognized that the "1955 system" was insufficient, yet the strategic situation and timing were not conducive to implementation of his strategy. The Cold War had not ended, the Soviet Union was still the primary security threat, and China's opening to reform and investment was the most important driver for the economic interest power centers of MITI and *Keidanren*. Yet, many of Okazaki's recommendations for the building of Japan's indigenous defense capabilities and increased combined effectiveness of the U.S.–Japan alliance remain valid decades later—having been, perhaps, too far ahead of their time. Specifically, Okazaki's understanding of the connection and interplay between strategy, domestic consensus, and a realistic assessment of the strategic environment are absolutely relevant today:

> The Japanese people, while standing firmly with the Free World, would certainly prefer to be the last nation to become involved in actual war. This strategy however, should not necessarily hamper a military build-up. Theoretically, Japan must possess a military capability that is large enough to influence the military balance in order to avoid war. An aggressor must be discouraged from attacking Japanese territory by the disadvantage of provoking Japanese forces to war, as opposed to the advantage of disabling U.S. bases or seizing strategic points in and around Japan.[153]

Later, Ichiro Ozawa, a stalwart LDP politician whose rise through the ranks exemplified the strength of the bureaucracy over the individual, became suddenly very outspoken as Japan's participation in the Gulf War came into question, and ultimately divided the LDP. Sensing the necessity of an expanded international role for Japan, Ozawa became the most vocal proponent of a "normal" Japan, releasing his grand strategy in *A Blueprint for a New Japan* (1993) and advocating better economic efficiency through deregulation, more risk, and responsibility in foreign affairs.[154]

[153] Hisahiko Okazaki, *A Grand Strategy for Japanese Defense,* (Lanham: Abt, 1986), 136-137.

[154] Green, *Reluctant*, 12-34; 269-285.

While Ozawa's ideas gained some traction in conservative factions in the LDP, he was countered by a left-leaning LDP member, Masayoshi Takemura, who was rooted in local politics and had a very different vision for post-bubble Japan. He released his grand strategy in 1994 as *Japan: A Small but Shining Country*, which advocated less involvement in international affairs and a focus on comfort and daily life in Japan. At the time, Takemura's ideas seemed to have won out, though it is hard to characterize resting on laurels as a true win, especially in foreign strategy. Ozawa, in frustration, broke away from his party, which remained resistant to change and continued to uphold the basic pillars of Yoshida doctrine until the turn of the century. Yet the question of what Japan's strategy was for foreign policy had not been answered. Ironically, Ozawa, while maintaining control of the breakaway DPJ coalition for its three forgettable years in foreign policy, formed his own party in 2012, based on the platform (at least in title) of his formal rival — fittingly named, *Kokumin no seikatsu ga daiichi* (The People's Daily-Life-Comes-First Party).[155]

Michael Green covered the evolution of Japanese grand strategy during the 1990s–2000 in his work, *Reluctant Realism*, which identified the emergence of a more realistic interpretation of foreign policy based on material calculations of the external environment, with specific emphasis on the rise of China. Though Japan's strategy continued to rest on the two main pillars of economic strength and reliance on U.S. security, there would be an evolutionary change in both of these primary areas. Green's conclusions and his identification of three trends— continued economic decline, acceptance of normalcy for national-security affairs, and increased regional dependency—have proven ultimately correct over the past decade, and seem especially prescient now with the reemergence of the conservative faction of the LDP. Furthermore, Green recognizes Japan's predominant perception, both public and political, that the rise of China as a Communist autocratic state will continue to be a zero-sum game. Both the trends and the context Green identifies lend creditability to the longevity of an enhanced relationship with Taiwan.[156]

155 Ibid.

156 Ibid. 271-273.

Richard Samuels formulated the widely cited "Goldilocks consensus" several years after Green's reevaluation of Japan's foreign policy. Samuels proposed that Japan's foreign policy strategy would follow a middle-of-the-road approach that neither embraces nor rejects China and neither latches on to U.S. leadership nor rejects it. It is fundamentally a pragmatic strategy that "normal" nations similar to Japan, such as Canada, Germany, and France, use to a great extent; yet it does not completely reject sentimental principles to guide strategy when it is beneficial to do so. In the past five years since Samuels highlighted the "Goldilocks consensus" within Japan's grand strategy, Japan's strategic trajectory has not appeared linear, but has indeed shifted from conservative factions in the LDP to center-left, to the anti-LDP party (the DPJ), and back to center-right. Amid this disunity, Samuels was somewhat dismissive of Prime Minister Abe's sentimental platform for a national strategy during his first premiership (2006-2007), saying:

> Abe Shinzo argued that Japan must be 'trusted, respected, and loved in the world.' Because these values are ubiquitous, their proponents are preaching to the choir. Prestige – compromising wealth and strength – has long been essential to security planners."[157]

Similarly, Samuels dismissed Abe's calls for equality within the U.S.-Japan alliance, saying "Calls for a new grand strategy 'based on respect' (*sonkei ni yoru hoshou*) are ubiquitous." Samuels draws contrasts with Green's premise and concludes that "Japan's leaders, whether mainstream or anti-mainstream, have been *persistent* rather than 'reluctant' realists."[158]

As of the last general election in December 2012, however, there appears to be a significant dynamic missing from the "Goldilocks consensus," embodied in the reemergence of sentimental realism. Primarily, this thesis would argue, Japan's grand strategy has remained on more of a linear trajectory since the early 1990 than Samuels assesses, and while slight deviations and stagnations from the trend line have occurred, Japan has possibly broken through the clouds of domestic reluctance and revisionism to

[157] Richard Samuels, *Securing Japan: Tokyo's Grand Strategy and the Future of East Asia,* (Ithaca: Cornell University Press), 197.

[158] Ibid, 185–209.

continue to advance to normal-nation status. This includes many of the tenets of Abe's platform, which called for a broader grand-strategy basis for its foreign affairs, specifically in the area of security.

After Abe's first term as prime minister from 2006–2007, many observers understandably dismissed him as a force within the LDP. Likewise, his two primary manifestos, "*Kono Kuni wo Mamoru Ketsui* (*The Determination to Defend this Country*), written in 2004 in conjunction with Okazaki, and *Utskushii Kuni E*, (*Towards a Beautiful Country*), were temporarily shelved. Michael Hoffman, a special correspondent to the *Japan Times*, in a recent lengthy expose on Abe, brought attention to Abe's ideological roots:

> *Toward a Beautiful Country* is above all a celebration of the conservative and patriotic ideals Abe has long championed. In one revealing episode, the official prime minister's residence is surrounded by some 300,000 angry demonstrators. The year is 1960. Abe's maternal grandfather, Prime Minister Nobusuke Kishi, is under attack for having renewed the unpopular Japan-U.S. Security Treaty. In the besieged residence, Kishi and Abe's great-uncle, Finance Minister (and future prime minister) Eisaku Sato, are sipping wine, and Kishi says, "I am not wrong. If I am killed, that is my dearest wish." Abe, looking on, was 6. The scene made a deep impression on him. Imagine a 6-year-old child suddenly confronting his beloved grandfather's readiness to die. Perhaps the two men had forgotten the boy was in the room. How aware would he have been, at that stage in his life, of old, supposedly discredited samurai ideals, whose classic summation, contained in the 1882 "Imperial Rescript to Soldiers and Sailors," is: "Duty is heavier than a mountain, death is lighter than a feather?"[159]

To be sure, Abe has deep-seated ideals, having been raised with high expectations and pressures as the grandson of one of the most significant post-WWII prime ministers and the son of an unfaltering conservative LDP politician. Though this idealism was apparent from the onset of his first term and remains present now, he has added a more functional and versatile set of political skills, realizing that idealism alone will not win the day in the fundamentally bureaucratic institutions that remain the power base of

[159]Michael Hoffman, "Beauty as Beheld by Japan through the Ages," Japan Times, 12 May 2013, as accessed online at http://www.japantimes.co.jp/life/2013/05/12/general/beauty-as-beheld-in-japan-through-the-ages/#.UaFI_SDn_IU, on 25 May 2013.

Japan's policy-making enterprise. What separates Abe from many is his party is a more cogent national ideology, and a deeply realist interpretation of foreign affairs. With the recent release of Abe's "The Bounty of the Open Seas: Five New Principles for Japanese Diplomacy," both his national ideology and realistic interpretation are evident.

Abe leads off this new strategy by saying, "Japan's national interest lies eternally in keeping Asia's seas unequivocally open, free, and peaceful—in maintaining them as the commons for all the people of the world, where the rule of law is fully realized."[160] To accomplish this overarching national interest Abe formulates five guiding principles, as follows:

> The first is protecting freedom of thought, expression, and speech in this region where two oceans meet. These are universal values that humanity has gained and they must be allowed to flower to the fullest.
>
> The second is ensuring that the seas, which are the most vital commons to us all, are governed by laws and rules, not by might. In connection with these two goals, I wholeheartedly welcome the American rebalancing to the Asia-Pacific region.
>
> The third principle is pursuing free, open, interconnected economies as part of Japan's diplomacy. We must secure the power of networking by bringing our national economies closer together through flows of trade and investment, people, and goods. The efforts and contributions Japan has made to enhance connectivity in Asia, such as through construction of the Southern Economic Corridor in the Mekong region, are now beginning to bear real fruit for the region. Maritime Asia has since ancient times been a place where civilizations blend with one another. Indonesia is a prime example of Maritime Asia's calm, open nature, which brings about not conflict among different religions and culture, but coexistence. This is something that continues to impress a great many Japanese to this day. It is also what inspires specialists from Japan to dedicate themselves diligently to tasks like the restoration of Angkor Wat, a priceless treasure for all humankind.
>
> The fourth principle, in connection with this, is bringing about ever more fruitful intercultural ties among the peoples of Japan and this region, something that I will continue to work for.

[160] Shinzo Abe, "The Bounty of the Open Seas: Five New Principles for Japanese Diplomacy," 18 Jan 2013, accessed online at www.kantei.go.jp/foreign/96_abe/statement/201301/18speech_e.html, on 30 Mar 2013.

> The fifth and final principle is promoting exchange among the younger generations who will carry our nations into the future. I will return to this later in my remarks.[161]

In his speech, the U.S.–Japan alliance is mentioned five times. Although it is to be expected that Abe would not mention Taiwan specifically in an official foreign-policy speech, it is also telling that he does not mention China in the guiding precepts and priorities for his foreign policy.

4. China–Japan Relations and Taiwan: The Debate

Consistent with most interpretations of Japan's foreign policy towards China over the past two decades, Japan's emphasis has shifted from faith in the primacy of economic engagement and interdependency to a realist, balance-of-power recognition of the potential danger of China's rise— forming a basic security dilemma. While a conflicted history (and the current handling of specific issues such as Yasukuni Shrine visits, airbrushing of the past in textbooks for primary education, and engagement-initiatives) factor in, the fundamental reality is that China's increasing assertiveness, especially in the maritime realm, has resulted in a steady rise in mistrust between China and Japan. The Japanese government continues to stress that "we as the government of Japan do not regard China as a threat,"[162] and the balanced engage-and-hedge policy presently in place is meant to ameliorate the uncertainty associated with China's rise. Japan continues to invest in its relationship with Taiwan, which shows resiliency and increasing autonomy in its own bilateral relationship, even as Japan works out its dealings with China. [163]

In the attempt to target the uncertainty of China's rise, there is healthy debate within Japan, with a deep and wide pool of penetrating analysis that influences Japan's official and unofficial stances on China and Taiwan. Any portrayal of Japanese assessments of China as monolithic should be viewed skeptically; consensus in Japan, as in all healthy democracies, is won through debate and compromise. Japanese scholars

[161] Ibid.

[162] Matsuda, "Engagement …," 113.

[163] Samuels, *Securing*, 14; Richard Bush, *Perils*, 23–40*;* Matsuda, "Engagement and Hedging," 113; Matsuda, New Era, 1–12.

focusing on China come from a wide variety of backgrounds, including economics, political science, history, anthropology, social science, and natural science; most China scholars have extensive Chinese-language research experience and maintain significant interaction with academic, private-enterprise, and even government contacts in China and Taiwan. As in the U.S. debate, Japan's contention over China includes heated disagreements on the nature and implications of China's rise, and policy prescriptions for how to address it. And, of course, in Japan, the debate on China is very much connected to Taiwan.

Ignoring the fringe elements on both sides of the spectrum, it is helpful to focus on the analytical factions that actually affect policy formation in Japan. This section excludes ultra-nationalists on the right and communists on the left. Within these general bounds, far-right-wing analysis of China focuses on a nationalistic narrative and an assertive, unapologetic Japan that can say no to China, and to the U.S. as well. This is generally an ethnocentric camp that extolls the unique cultural characteristics of the Japanese race and is very much in denial regarding the aggression of World War II. Shintaro Ishihara is currently the most outspoken and visible mouthpiece of this contingent. Ishihara is the former governor of Tokyo, who many blame for starting the row over the Senkaku Islands by threatening to purchase them from a private Japanese owner. In a May 2013 article in the *Asahi Shinbun*, Ishihara was quoted as saying,

> [The war Japan fought] was not aggression. General Douglas MacArthur told a congressional testimony that it was for self-defense… Deprived of resources, [Japan] had no choice but to expand into Southeast Asia. White people could not allow Japanese, a colored people, to build a modern state.[164]

Ishihara's stance on China, while playing on widespread unease and a general lack of affinity for China in Japan, should not be considered mainstream His demagoguery has, however gained the national stage through shrewd manipulation of the media, and by his charismatic and confrontational style, which contrasts the stale and sometimes powerless impression many have of Japanese political figures. Though

164 Ishihara: Japan fought war in self-defense," The Asahi Shimbun, May 18, 2013, accessed online at http://ajw.asahi.com/article/behind_news/politics/AJ201305180041, on 24 May 2013; Info Taiwan.

Ishihara has become a nationalistic caricature of sorts, it should be noted that he strongly supports Taiwan's sovereignty, and has had significant interaction with Taiwan's political leaders. Ishihara has visited Taiwan on multiple occasions and met then-president Chen in 2006. Chen struck a chord with Ishihara, saying that he disagreed with China threatening Japan over then-prime minister Koizumi's Yasukuni Shrine visit.[165] While Ishihara's influence on current foreign policy is doubtful, it is important to recognize that even independence-minded Taiwanese accept a more nationalistic perspective from Japanese hardliners, in great contrast to China. If the nationalistic movement that Ishihara embodies continues to grow, it will be an important bifurcating issue among Japan, China, and Taiwan.[166]

Moving further towards the center, with a significant degree of separation from the far right, are the defense hawks, who advocate a realist interpretation of China's rise, support the strengthening of Japanese defense (both in the U.S.–Japan alliance and independently), and affirm Taiwan's efforts to maintain distance from the PRC. The Okazaki Institute, one of the two most influential nongovernmental think-tanks for foreign policy and national-security analysis, sits unapologetically in this category (the institute's slogan is "Hawks do not flock"). Ambassador Okazaki remains at the vanguard of the institute and consults for the ministries of defense and foreign affairs, as well as the *kantei* (cabinet) and office of the prime minister.

The institute is particularly influential within the conservative Mori faction in which Koizumi, Aso, and Abe were raised, and where the power center of the Taiwanese lobby resides. One of Okazaki's fundamental views is that Chinese Communist control of Taiwan would infringe on the human rights of the Taiwanese and be strategically bad for Japan. Okazaki showed great concern over what he believed to be inadequate U.S. strategy for Taiwan, and was also highly critical of President Clinton's trip to China in 1998 when he delivered his "Three-No's" speech. In 2008, Okazaki released a compilation of nearly forty years of work on the Taiwanese issue entitled, *Taiwan*

165 "President Chen Meets with Tokyo Governor Ishihara Shintaro," accessed online at http://www.taiwan.gov.tw/ct.asp?xItem=11216&ctNode=1933&mp=999, on May25 2013.

166 Ibid.

Mondai wa Nihon no Mondai (*The Taiwanese Problem is Japan's problem*) making the specific case that Japan's interests, more than other countries are connected to Taiwan's future. With the return of LDP and prime minister Abe in 2012, Okazaki countered international media that he saw as exaggerating concerns over the return of right-wing nationalists by averring that he saw, instead, "a return to normalcy," citing Japan's chronic inability to defend its interests and support its allies as a normal nation. In addition to its policy analysis, the Okazaki Institute plays an active role in track-II dialogues, which have included significant bilateral and trilateral efforts with India, Taiwan, and others. The Okazaki institute employs a cadre of retired SDF senior officers, who have become an integral link to the active defense-policy realm for the Institute. These senior officers also chair track-II dialogues and trilateral forums with the U.S., India, and Taiwan. [167]

Another rising analyst in the China debate is Tetsuo Kotani, who has been associated with both the Okazaki Institute and the Japan Institute of International Affairs (JIIA). The JIIA is a major source of foreign-policy analysis as a nonpartisan foundation associated with MOFA, and has been a center for nuanced and balanced recommendations on China and Taiwan. Kotani has become one of the preeminent experts on the tensions with China over maritime issues in the East- and South China seas for MOFA and MOD. Concerning China and the East China Sea dispute, Kotani advocates for clarified U.S. support for Japan's sovereignty over the islands, as a necessary part of a more effective hedge, supporting the basic rationale that an equal-load sharing, more empowered U.S.–Japan alliance is vital. Kotani also argues that prime minister Abe, while strengthening the alliance and attempting to address Japan's responsibilities under the concept of collective self-defense, will also make a deliberate effort not to exacerbate tensions with the PRC.[168]

Moving towards the center of the debate, one of the most prominent mainstream voices in the China–Taiwan debate is Yasuhiro Matsuda of Tokyo University. Matsuda's

[167] Hisahiko Okazaki, "Japan's Step Towards Normalcy," Feb 26 2013, accessed online at http://www.okazaki-inst.jp/official/en/2013/02/japans-step-toward-normalcy.html, on May 15 2013.

[168] Tetsuo Kotani, "China's Fortress Fleet and its implications for Japan's Security," Institut français des relations international Asian Visions 62, February 2013, 19–21.

work covers Japan's policy towards China, China's internal stability, power-transition issues, and includes one of the most cited primers on the Japan–Taiwan relationship. Matsuda, a former fellow at the National Institute for Defense Studies (NIDS)—the official think-tank of the Ministry of Defense—represents a balanced, moderate perspective, promoting both a legitimate hedge and an engagement strategy vis-à-vis China. Matsuda's analysis of China generally focuses on the uncertainty of China's rise, while recognizing the unique nature of Japan's unofficial relationship with Taiwan. Matsuda, though rooted in balance-of-power realism from his NIDS experience, also draws from Joseph Nye's neoliberal school and argues that Japan must develop its own "smart power" by "building an attractive and respected country, in terms of both institutions and technology and human resources." Matsuda is also a well-known international collaborator with U.S. academic institutions such as CSIS and the East–West Center on China and Taiwan. Finally, his overall position on Taiwan focuses on maximizing pragmatic unofficial ties with Taiwan that support the longevity of the status quo, rather than increasing controversial initiatives that would disrupt it.[169]

A distinct subsection of the mainstream debate focuses on Japanese economic interests in China and Taiwan. At the center of the analysis in this section lies the $345 billion in bilateral trade between Japan and China. In comparison, trade with Taiwan totals about one-seventh of that, at approximately $50 billion. One important economic analysts and business consultants active in Japan today is Toshiya Tsugami, head of a consulting company concentrating on the Chinese economy, a previous counselor at the Japanese Embassy in China, and a director of the Northeast-Asia Division of the Ministry of Economy, Trade, and Industry's trade-policy bureau.[170] While Tsugami continues to promote the massive Japanese interests in China, he tells a cautionary tale of slowing investment-based growth and overall unreliability in official reports of Chinese economic statistics. In essence, though Tsugami does not deny the superior importance of the Chinese market to Japanese business interests, he has become wary of continued

[169] Matsuda, "Engagement…," 117.

[170] Toshiya Tsugami, China's investment powered economic growth reaches its limits", Asian Wall Street Journal,20 May 2013, accessed online at http://ajw.asahi.com/article/forum/politics_and_economy/east_asia/AJ201305200018.

Japanese investment and manufacturing in China. A recent Japan External Trade Organization (JETRO) report confirms his analysis that manufacturing costs for Japanese companies operating in China increased by 60 percent over the last three years, forcing many companies to seek cheaper labor and production options in Southeast Asia. That this sharp rise occurred along with increased tensions between Japan and China has not gone unnoticed.[171] Another prominent economic analyst and strategist in this contingent over the past two decades has been Kenichi Ohmae. Ohmae, primarily a globalist, highlights strategies for success within the increased interconnectivity of global markets, in a similar vein to U.S. commentator Thomas Friedman. While Ohmae has traditionally focused on the abundant economic opportunities China's growth represents, he had changed his tone slightly with regards to China as of 2010, when he began to advise Taiwan president Ma's cabinet that it should not base its economic future solely on the growth of China. In the context of final ECFA negotiations in 2010, many DPP commentators used Ohmae's recommendations to warn against being lulled into dependency by the PRC.[172]

Moving left of the center, crisis management-oriented analysts typically support careful diplomacy with China, and even more careful management or minimization of unofficial relations with Taiwan. Uichiro Niwa, the Japanese ambassador to China from 2010–2012, embodied the fragile and disjointed voice of crisis management during the escalating Senkaku Island issue. Niwa's assignment as the first ambassador to China from the private sector represents the crux of the issue: the interconnected nature of Japanese business interests and crisis management interests within Japan's China policy. The lack of unity displayed by the Japanese government response during the Senkaku issue was obvious and exemplifies how Japan's crisis management system is still severely underdeveloped. During the crisis in early 2012, Niwa made comments about having "grave concern" over Ishihara's plan to purchase the Senkaku Islands. His comments came under heavy criticism and he was essentially censured by the Japanese

[171] Takeyuki Hitokoto And Mamoru Kurihara. "China: losing luster for Japan makers." 22 May 2013, Yomiuri Shimbun, accessed via OSC JPP20130522969107 Tokyo.

[172] Ko Shu-ling, "China not the only answer, Ohmae says," 23 Jun 2010, accessed online at http://www.taipeitimes.com/News/front/archives/2010/06/23/2003476180, 15 May 2013.

government from that point. In fairness, Niwa and the country team were under significant stress and even attacked by angry mobs in China at the height of the tensions. Following his tumultuous stint as ambassador, Niwa has pushed for a unified approach to crisis management, and calm, balanced diplomacy with China. When asked in a recent interview about his time as ambassador to China and his role in this critical period, he said simply, "I began the job with the DPJ and ended it with the DPJ. My tenure also began with the Senkakus issue and ended with that issue." He also added his recommendations to the new leaders of Japan and China saying, "I want to say to the leaders of both nations, such as Xi Jinping, Noda, and Shinzo Abe, your responsibility is to make your people happy, and at times there is a need to bear the unbearable and conduct diplomacy in a cool and collected manner." To be sure, there are many serious analysts within MOFA and JIIA who focus on the development of truly functional crisis management mechanisms between Japan and China, but their efforts are likely based on the simple guiding ethos of Niwa's view that Japan and China are neighbors; and unlike some other powerful countries, Japan and China must find a way to create a pleasant environment, "regardless of whether they like each other or not."[173] It should also be noted that this crisis-prevention viewpoint is currently almost completely dismissive of Japan's relationship with Taiwan.[174]

Further to the left in the Japanese debate lies a contingent of pan-Asian commentators, who typically favor stronger relations with China, minimal relations with the U.S., and negligible relations with Taiwan. This view is understandable given the long dominance of China in the region and the relative peace and stability that Japan enjoyed under a China-centric balance of power. Correspondingly, Japanese Asianists see China, not the U.S., as the future of regional power, and therefore recommend a shift away from the U.S.–Japan alliance towards more favorable policies towards China, including non-intervention in Taiwan and conciliation towards China on maritime disputes. Though a minority within the pan-Asian school of thought argues for support of

173 "Former Japanese Ambassador Uichiro Niwa calls for prompt dialogue with China," *Xinhua*, 13 Mar 2013, accessed online at www.china-embassy.org/eng/zt/DiaoyuDao, on 25 May 2013.

174 Uichiro Niwa, "INTERVIEW/ Uichiro Niwa: Ex-ambassador says Japan needs careful diplomacy with China over Senkakus," *Asian Wall Street Journal*, 28 Dec 2012.

Taiwan by emphasizing enhanced regional ties through multilateral institutions, pan-Asianists downplay Taiwan as a sovereign entity, seeing it as a relic of failed U.S. policy during the Cold War. Asianists are also ideologically associated with both "middle power internationalists" and pacifists, who have dominated the left end of the spectrum in the post-WWII system.[175] One prominent expert and commentator in this realm is Susumu Yabuki, a professor at Yokohama City University. In a recent interview, Yabuki provided his basic position:

> The fundamental problem of Japan's diplomacy since the end of the Cold War lies in that it kept relying too much on the Japan–U.S. security alliance by setting up China as a hypothetical enemy. This has prevented Japan from rededicating itself to active diplomacy toward China, despite the two countries' increasing economic interdependency. Beijing has also used Japan–U.S. security relations as a justification for increasing military spending, which has already created strong vested interests in the hands of the PLA. It, in turn, pushes China to seek a more hard line, hawkish diplomatic policy.[176]

Yabuki's hard line on the U.S.–Japan alliance boils down to a chicken-vs.-egg security dilemma with China, yet Yabuki fails to acknowledge that Japan has had the ability to terminate the U.S.–Japan security alliance since 1970. On Taiwan, Yabuki's analysis has proved inaccurate. For example, he wrote in 2000 that the election of Chen Shui-bian was "a boon" for cross-Strait stability and that Chen had signaled his intention for cross-Strait rapprochement. Since then, Yabuki has not written significantly on Taiwan, and indeed, for most Japanese Asianists, Taiwan has remained an enigma, largely subject to the PRC's pre-eminent push for "One-China" policy acquiescence.[177]

Moving from the security dimension of pan-Asian thought, another possible basis for this movement lies in a fundamental shift of trade. By 1995, Asia surpassed North America and Western Europe as Japan's major trading zone. Currently, Japan is facing a key juncture in determining whether its economic vitality will be best served in trade with

175 Samuels, *Securing…*, 14.

176 Susumu Yabuki, "Interview: China-watcher Yabuki says Senkakus are a diplomatic mistake by Japan," *Asian Wall Street Journal* 12 Dec 2012.

177 Yabuki Susumu interviewed by Mark Selden, China-Japan Territorial Conflicts and the U.S.-Japan-China Relations in Historical and Contemporary Perspective," The Asia-Pacific Journal, Vol 11, Issue 9, No2, 4 Mar 2013.

the U.S.-led Trans-Pacific Partnership (TPP), or the China-led ASEAN Plus Three (China, Japan, Korea) APT. Under the DPJ administration, which embraced a more pan-Asian scenario, APT appeared to be the frontrunner, but with the reemergence of Abe and the LDP, the negotiations for TPP now appear to have more traction. The direction of trade negotiations with both the U.S. and China may in the end help Japan's negotiations in whichever trade pact it decides to embrace. If Japan were making a strictly rational decision based on potential economic gain, estimations through 2030 would appear to favor APT by a significant margin; but as discussed, Japan has moved away from sheer pragmatic relations through economic interdependence to something more substantial. It remains to be seen which in direction Japan will turn, but the debate will very much be influenced by those who see China as the inevitable leader of Asia, and the core of Japan's desired equilibrium.[178]

In the preceding survey, it was nearly impossible to disconnect China from the Japanese debate over Taiwan. Looking over the range of ideas, several conclusions can be made to provide context for examining Japan's specific interests in Taiwan. First, the mainstream portion of the debate parallels the China–Taiwan debate in the U.S. to a great extent. At the margins, however, there is great divergence of thought, and it is especially telling that the extremes (far-right nationalists and far-left Asianists) are generally united by their rejection of the U.S.–Japan alliance. The far right wants a strong, independent Japan, and the far-left advocates a weak, conciliatory Japan, with restoration of China's dominance in the region. The real movement and potential for divergence will, thus, be found in how far the margins are able to creep into the mainstream. Interestingly, the debate over Taiwan does not parallel the convergence over the rejection of the alliance on both ends of the spectrum, as the far-right nationalists support Taiwan, and the pan-Asianists dismiss Taiwan, primarily due to their acceptance of PRC thought. In the new era of cross-Strait rapprochement, the possibility for great alignment over continued support for Taiwan is clear. Merging these two generalities, although there is mainstream

[178] Rosen and Wang, *Implications…*, 69.

support for the U.S.–Japan alliance, there is also potential for Japan's divergence from U.S.-led policy that is either perceived as abandoning Taiwan, or as unnecessarily risking Japan's security to hedge against China.

5. Japan's Domestic Political Situation

Reconnecting the range of debate and public opinion to the political realm, as illustrated in the range of Japanese debate over China and Taiwan, the potential for divergence with the U.S. over China–Taiwan issues is of key concern, especially in the context of the U.S.–Japan alliance. The two mainstream factions of the debate (center-right and center-left) are hedging against the potential decline of the U.S. and the rise of China. The center-right camp, currently led by current prime-minister Abe, is hedging against China's aggressive rise by advocating a stronger, independent Japan in the alliance. The center-left is promoting a more conciliatory or submissive posture, with China as the dominant power in Asia. If the relative power of the U.S. vis-à-vis China and Taiwan changes such that Japan believes its investment in the alliance is diminishing, a pan-Asian solution for either balancing China's power or accepting its dominance could grow significantly more attractive. The consequences of this shift for Taiwan, of course, would be dire. If, however, Abe's neoconservative platform is a broader indication that a true grand strategy is forming (as this thesis suggests), Japan will continue to see the alliance as advantageous in protecting its interests in relation to China and Taiwan. If managed correctly, Japan, as a "normal" ally, could offer a range of previously impossible solutions for maintaining the delicate power balance in the Taiwan Strait.

One possible label that encompasses both the codification of a grand strategy and the sea change in Japanese domestic politics is neo-conservatism, with Japanese characteristics. The best definition this author has been given of neo-conservatism is… a

political philosophy based in a realist interpretation of foreign affairs, which advocates the assertive exportation of the liberal values of democracy and free trade.[179] This label may be appropriate for the sentimental realism that Abe represents; yet in contrast with the U.S. variant, it is apparent less in the exportation of Japanese values than in the confidence gained through cooperating with countries that share the same basic strategic values, in which democracy and liberal economic development are central. Thus, this thesis proceeds with the assumption that the present era may be the "neoconservative age" of Japan's grand strategy and foreign policy, which one could argue has been in a nascent stage for twenty years.

Embodied in this nuanced shift, is an increase in risk and complexity for Japan's foreign-policy actors. The longstanding pragmatism embodied in the Yoshida doctrine did not require the conviction and courage that a values-based platform would require. Certainly Japan was adept at separating business from politics during the first thirty years of post-WWII development and economic expansion, and, given the variety of actors in the region, a basis in pragmatism remains necessary for regional stability. This thesis argues that Japan has reached a point where political conditions and the guiding ethos of other countries' grand strategies matter more than they had previously. If that is the case, Japan's interests in, and relationship with, Taiwan will continue to gain greater significance.

G. JAPAN'S NATIONAL INTERESTS IN TAIWAN: OBJECTIVES, METHODS, OUTCOMES

> Japan's national interest lies eternally in keeping Asia's seas unequivocally open, free, and peaceful - in maintaining them as the commons for all the people of the world, where the rule of law is fully realized. To achieve these goals, from the second half of the twentieth century through the present day Japan has consistently devoted its energy in two objectives. In light of our geographic circumstances, the two objectives are natural and fundamental imperatives for Japan, a nation surrounded by ocean and deriving its sustenance from those oceans - a nation that views the safety of the seas as its own safety. Though times may change, these objectives remain immutable.

179 Alice Miller, NPS lecture, Mar 2013.

– Prime Minister Shinzo Abe, Jan 2013

The preceding analysis of the strategic situation in the Taiwan Strait provided context for an evaluation of Japan's assessment of the strategic environment, the evolution of Japan's grand strategy, and the current political situation. Based on that analysis, this thesis argues that Japan and Taiwan are postured to maintain vibrant ties in the cultural and economic sectors and may experience growth and enhancement in the political and security spheres. Given the likelihood of enhanced ties, examining Japan's major interests in Taiwan will further facilitate analysis of how a strengthened relationship might manifest itself in specific ways, most notably in the realm of regional balance of power.

The final examination of this chapter will, thus, detail Japan's current interests in Taiwan in terms of objectives and methods and conclude by providing a basic assessment of the outcomes of the methods employed. Objectives will continue to be evaluated in the framework of economic interests, crisis management, and balance of power and will cite analysts who influence the realm of ideas, as well as governmental and nongovernmental actors that work within the basic bounds of that interest. Methods of foreign-policy development will be examined by outlining internal and external pressures on foreign-policy formation. Specific policies, initiatives, and actions underway that achieve or maintain those interests will be also examined. Finally, this chapter will judge the outcomes of Japan's foreign policy towards Taiwan in terms of success and failure, and convergence, divergence, or complement to U.S. foreign-policy goals with regard to Taiwan. Specifically, this thesis finds that Japan's current interests in Taiwan center on its role in the balance-of-power realm as a hedge against the PRC. Balance of power objectives are augmented by a fruitful economic exchange, and the overall relationship is managed indirectly by crisis management actors to keep it within the general bounds of Japan's relationship with the PRC.

1. Economic Interests

Japan's crisis management efforts and economic interests in the PRC and Taiwan go hand in hand, and certainly peace in the Strait is an interest shared by all parties

involved. While Japan's economic interests and crisis management efforts are largely focused on the PRC, Japan's efforts in both of these areas with Taiwan have yielded substantial results in recent years. Figures 5, 6 and 7 illustrate this trend.

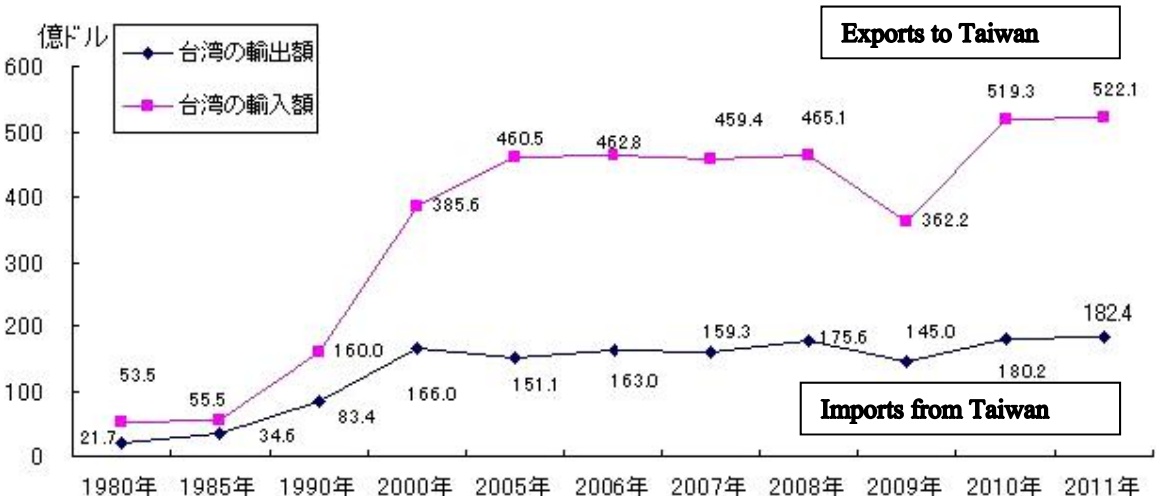


Figure 5. Japan's Trade with Taiwan 1[180]

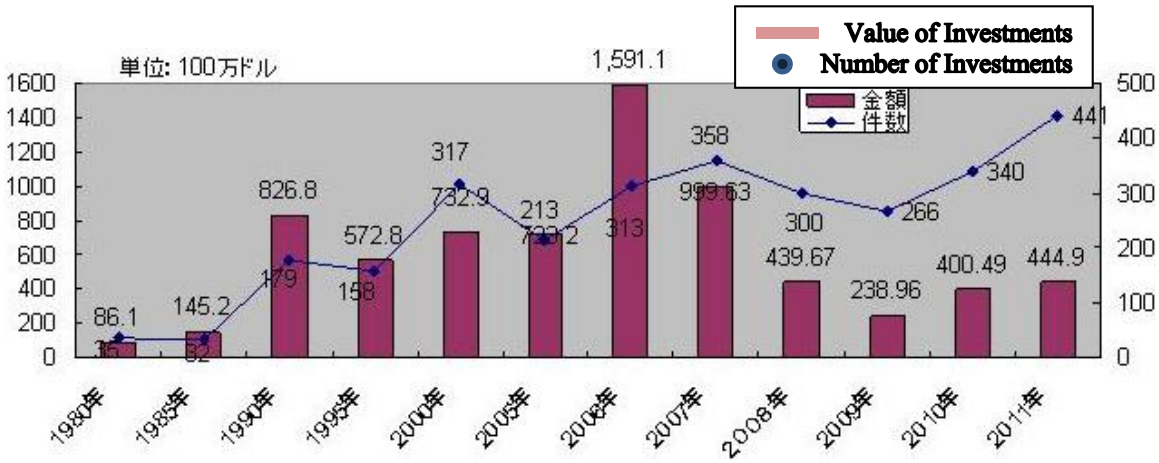
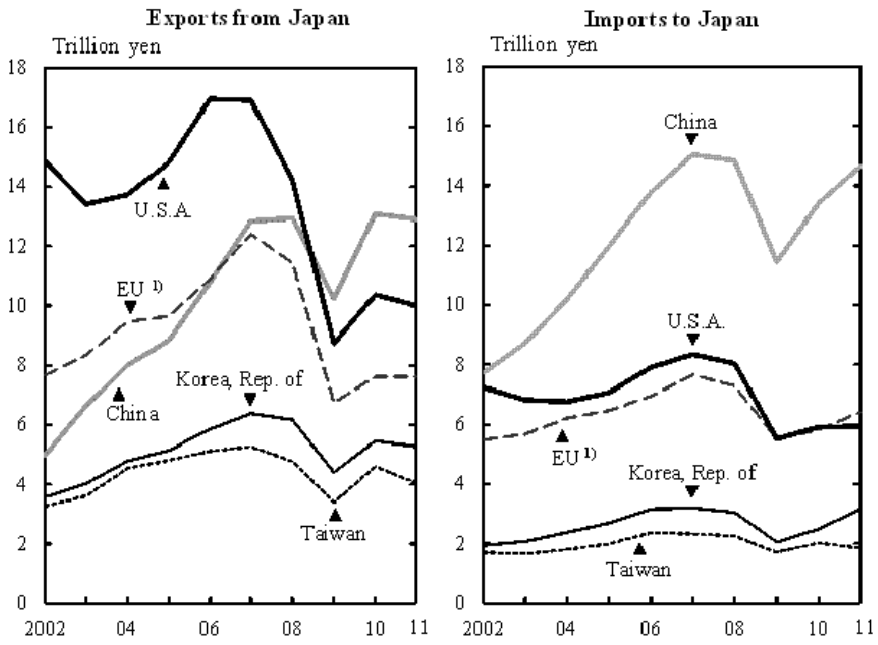


Figure 6. Japan's Investment in Taiwan 1[181]

180 "Japan's Trade with Taiwan," IAJ official website, accessed online at http://www.koryu.or.jp/ez3_contents.nsf/12/F3CE8A140E14BA4649257737002B2217?OpenDocument, on 07 Jun 2013.



1) 15 countries: before May 2004, 25 countries: from May 2004 to Dec. 2006, 27 countries: from Jan. 2007 onward.
Source: Ministry of Finance.

Figure 7. Japan's Trade by Region 1[182]

Japan's trade with Taiwan remains significant and produces a trade surplus of more than $20 billion annually. Proponents of Taiwan-focused trade argue that the exchange of goods that should be looked at in terms of quality over quantity, and cite the rising cost of business and unpredictability of total-factor productivity conditions in China. It should also be noted that Japan's surplus with China, although large at more than $40 billion, is only twice as large as the surplus with Taiwan. Thus on a comparative scale, trade with Taiwan could be seen as more profitable. In terms of economic trends long-term data provided by IAJ (see figures 5 and 6 above) shows that Japan's trade with Taiwan steadily increased until 2009 when it dropped suddenly. This is an interesting data-point and can be attributed to basic developments in the global financial situation. Primarily, as seen from Figure 7 (trade by region) Japan's trade in every region was down in the 2008-2009 timeframe, most likely due to the "Lehman's shock" and the global

181 Ibid.

182 Japan Ministry of Internal Affairs and Statistics, Data provided by Ministry of Finance, accessed online at http://www.stat.go.jp/english/data/handbook/c11cont.htm, accessed on 5 June 2013.

financial crisis of 2008." What is harder to tell is whether the new era of cross-Strait rapprochement beginning in 2008 had any notable effect on Japan's trade with either Taiwan or China. Although both trade with the PRC and Taiwan dropped sharply during this period of time, trade with Taiwan experienced the least dramatic decline. Trade with the PRC on the other hand, though dropping sharply, rebounded quickly. The most notable decline was in Japan's trade with the U.S., which dropped sharply and has not recovered to pre-2008 levels. Thus, in relative terms, Japan's economic interests in Taiwan have been more stable than with the PRC and the U.S. from 2008–2012. [183]

In terms of objectives, Japan's economic interests in Taiwan are based on profit and market share. Japan's profits in Taiwan remain high, but as mentioned are substantially less than profits in China. For market share, Japan is Taiwan's second largest trade partner, but is increasingly being outcompeted by China since ECFA was initiated in 2010. Growth of PRC trade with Taiwan remains in double digits (10 percent from 2011–2012)[184] compared to 1 percent growth in trade for Japan. For methods of accomplishing economic interests, the Interchange Association of Japan (IAJ) functions as the central executor of Ministry of Economics, Trade and Industry (METI), Ministry of Finance (MOF), and *Keidanren* objectives in Taiwan. IAJ as a facilitator of Japanese business, assists private enterprise in establishing and growing business in Taiwan, providing legal assistance, trade promotion events, and most importantly has chartered several critical bilateral agreements between Taiwan and Japan to encourage and protect Japanese business in Taiwan, such as the "Japan-Taiwan Mutual Cooperation on the Liberalization Promotion and Protection of Investment" signed in 2011; "The Memorandum on Mutual Cooperation of Patent Procedures between Association of East Asian Relations and Interchange Association (the Memorandum on Japan-Taiwan Patent Prosecution Highway)" and "The Memorandum Relating to Exchange of Financial Information on Money laundering and the Financing of Terrorism between Association

183 Reference figures 5-7 – "Japan's Trade with Taiwan," "Japan's Investment in Taiwan," and "Japan Trade by Region" provided by the Interchange Association Japan (5,6) and Japan's Ministry of Finance (7).

184 Total Trade of Taiwan, Official TECRO website, accessed online at http://www.roc-taiwan.org/JP/ct.asp?xItem=369427&ctNode=3262&mp=202, accessed on 05 Jun 2013.

of East Asian Relations and Interchange Association" both signed in 2012.[185] In terms of objectives, Japan continues to maintain a beneficial and profitable economic relationship with Taiwan, but looking ahead, Japanese economic interests could be negatively affected by continued increases in trade between China and Taiwan as agreements under ECFA are completed. By 2020, Japan's trade with Taiwan could be substantially less than it is currently, but that would depend heavily on the outcome of other regional factors, such as Japan's own economic liberalization efforts with China—primarily the results of negotiations for ASEAN Plus Three (China, Japan, Korea).

2. Crisis Management

Similar to its economic interests, Japan's crisis-management actors, namely MOFA, devote much more effort to the turbulent relationship with China than to Taiwan, and are involved in the interaction with Taiwan mainly to define the general boundaries of the interaction to conform to politically and internationally acceptable norms. Particularly as observed between 2010 and 2013, Japan's crisis-management efforts towards China were considerable, yet had limited success in navigating through the troubled waters around the Senkaku/Diaoyu islands dispute. The most notable achievement to relax tensions during this period of time, however, was not achieved between the PRC and Japan, but rather between Japan and Taiwan. In April of 2013, after sixteen years of negotiations, Japan and Taiwan signed a fishery agreement outlining how to share fishing areas in the vicinity of disputed islands in the East China Sea. To accomplish this agreement, President Ma played a significant role, in agreeing to shelve the sovereignty dispute, which is Japan's main position (that there is no sovereignty dispute) so that Taiwan and Japan could look at the root of the issue (resources sharing) in a pragmatic and non-confrontational way. The fact that this occurred while the PRC and Japan were at odds over the same issue should not be ignored, and the PRC

185 See Appendix 1, "The World and Japan" Database Project
Database of Japanese Politics and International Relations, Institute for Advanced Studies on Asia, University of Tokyo, accessed online at http://www.ioc.u-tokyo.ac.jp/~worldjpn/documents/indices/JPTW/index-ENG.html, on 5 Jun 2013.

responded with firm diplomatic statements. [186] Nonetheless, Japan and Taiwan, by undertaking this act, seemed to throw a pail of cold water on a small fire, and showed that crisis management is much easier when nations act rationally and pragmatically. Above that, however, Japan and Taiwan proved that their relationship is currently much more functional than Japan's relationship with China. Another general conclusion that can be drawn from the fishery agreement is that it was a bilateral agreement between two sovereign entities. This diverges from historical precedence where the U.S. has played the primary role in crisis management both with Taiwan and the PRC, as well as running counter to the One-China principle that exists at the core of cross-Strait tensions. In effect, Japan's recent crisis-management efforts with Taiwan shows Japan's increased independence in this realm, which has been complemented greatly by the U.S.'s main emphasis of cross-Strait crisis management that centers on engagement with the PRC. [187]

3. Balance of Power: Objectives

From Japan's perspective, the current strategic value of Taiwan lies in both basic, enduring realities and ongoing developmental factors. The geography of Taiwan relative to critical Sea Lines of Communications (SLOCS) is crucial and inexorable for a country forced to import most of its basic resources, including its energy and food. As any conflict in the vicinity of Taiwan would greatly disrupt key SLOCs, peace in the Taiwan Strait is of utmost importance to Japan. Second, Taiwan's presence as a physical buffer from the PRC remains a fundamental consideration; thus, while peace in the Strait is good, a peace attained through coercion, resulting in PRC control of the island of Taiwan, runs directly counter to Japan's balance-of-power objectives. The PRC military capabilities that could be fielded from, or even temporary use of Taiwan's bases after PRC control, are a serious planning problem in the defense of Japan, whose closest island

186 Zhang Yunbi, "Beijing Protests Tokyo's One-China Policy Violation,"*China Daily,* 12 March 2013*; "Arrangements for the construction of fishing order between Association of East Asian Relations and public interest Interchange Association" (for "private arrangements Japan and Taiwan fishing" abbreviation)*(translation from Japanese), IAJ official website, accessed online at http://www.koryu.or.jp/ez3_contents.nsf/New/2CD490BD755BBCC649257B4900248AAD?OpenDocument, accessed on April 30, 2013.

187 JETRO official website, accessed online at http://www.jetro.go.jp/en/reports/statistics/, on 30 May 2013; MOFA official website, accessed online at http://www.mofa.go.jp/region/asia-paci/china/index.html, on 30 May 2013.

is less than 60nm from Taiwan's east coast. Some argue, based on its latest proposal for unification with Taiwan, that the PRC would not station forces on the island; but it is illogical that any nation would hesitate to take advantage of Taiwan's geography, especially in a conflict. For comparison, one might ask how many U.S. Navy nuclear attack submarines are stationed in Yokosuka naval base, Japan. The answer, of course, is zero, though nuclear attack submarines frequently visit Yokosuka.[188] The PRC could hold a similar nominal standard for forces on Taiwan or they could simply change the rules, but it would certainly not restrict itself from using Taiwan's geography for maximum gain.

Beyond geography, the political and economic ramifications of Chinese Communist domination of Taiwan are far reaching. As described previously, Japan's belief in the superiority of liberal democratic systems and free trade is reflected in a preference for strong relations with like-minded nations. In terms of guiding ideologies and other more specific congruencies, no country in East Asia is more aligned with Japan than is Taiwan. Japan and other regional nations would be forced to address the PRC's emboldened position in Asia and would likely abandon certain foreign-policy preferences if it came down to their own survival. Certainly, there are many possibilities within these primary scenarios for Taiwan, but these are the basic fears that fuel Japan's balance-of-power interests. Japan's primary balance of power objective regarding Taiwan is, thus, to maintain and enhance productive *de facto* state-to-state relations between the two like-minded democratic and liberal economic powers, who are both fearful of domination by the PRC. Any effort Japan conducts with the intent of deterring, denying, or disrupting PRC control of Taiwan, and thereby prolonging Taiwan's *de facto* sovereignty should be categorized as part of Japan's balance-of-power strategy against the PRC.

4. Balance of Power: Methods

There are no official security arrangements between Japan and Taiwan. Balance-of-power calculations, of course, encompass more than armaments; and though Japan and

188 Commander Submarine Group 7 website, accessed online at www.csg7.navy.mil, accessed on 31 May 2013.

Taiwan are severely limited by how they could engage in any security arrangement, Japan uses other aspects of its national power, as well as indirect commitment through the U.S–Japan security alliance, to balance China's influence over Taiwan. Concerning Japan's official policy on balance-of-power interests in Taiwan, three primary documents should be referenced. First, the 1969 Nixon–Sato joint communiqué, though occurring before the "Nixon shocks" and diplomatic reversals of both the U.S. and Japan, stated clearly that Japan views "peace and security in the Taiwan area" as "important for the peace and stability of Japan."[189] It is important to distinguish that Prime Minister Sato did not specify any commitments to the ROC in the communiqué, unlike President Nixon, but instead referred to the "Taiwan area." Thus, regardless of the political and diplomatic situation in the Taiwan Strait, Sato identified an enduring interest in peace and stability in the geographic area of Taiwan.[190] After 1979, Japan's treatment of Taiwan as a security issue was kept almost completely in the context of Japan's role in the U.S.–Japan alliance. Yet what exactly Japan's role would be in a conflict in the Taiwan Strait was kept ambiguous. The 1997 defense guidelines state:

> Situations in areas surrounding Japan will have an important influence on Japan's peace and security. The concept, situations in areas surrounding Japan, is not geographic but situational. The two Governments will make every effort, including diplomatic efforts, to prevent such situations from occurring. When the two Governments reach a common assessment of the state of each situation, they will effectively coordinate their activities. In responding to such situations, measures taken may differ depending on circumstances.[191]

It is absolutely logical to assess that with the 1969 communiqué and the 1997 guidelines for Japan–U.S. Cooperation, Japan has essentially committed its self-defense forces (SDF) to the peace and stability of the Taiwan area. The spirit of this accord over "peaceful resolution of issues concerning the Taiwan Strait" was reemphasized as a

189 Joint Statement by President Nixon and Prime Minister Eisaku Sato, Washington, D.C., 21 November 1969, accessed online at http://www.niraikanai.wwma.net/pages/archive/sato69.html, accessed on 12 May 2013.

190 Ibid.

191 Guidelines for Japan-U.S. Defense Cooperation, 1997, accessed online at http://www.mofa.go.jp/region/n-america/us/security/guideline2.html, on 12 January 2013.

common strategic objective in the February 2005 2+2 joint statement.[192] Yet even with the consensus formed by these guiding documents, Japan's true balance-of-power objectives in Taiwan remain officially ambiguous. Indeed, as Okazaki said, "To discuss the strategic importance of Taiwan is a delicate task. It is in itself delicate to discuss any strategy openly. Strategy is based on calculation of naked national interests."[193]

Though the Japanese Ministry of Defense (MOD) (formerly the Japan Defense Agency) would be the logical executive agent for Japan in security issues with Taiwan, the nuanced problem that the Taiwan Strait presents forces variation and creativity. The real power center for balance-of-power interests in Taiwan lies, not in MOD, MOFA, METI, or even the Interchange Association of Japan (IAJ), but instead in the Taiwan lobby of the Diet. In many respects, this is similar to U.S. balance-of-power interests in Taiwan, which also reside in the legislative branch under the mandate of the TRA. This placement serves at least two functions: it keeps an extremely sensitive international issue in the scales of domestic consensus and it allows the executive branch to focus on pragmatic solutions with China. The primary functions of the Taiwan lobby in the balance-of-power schematic are building consensus, effective coordination, and implementation of Japan's policy which, although it does not always name Taiwan directly, is supportive of Taiwan by hedging against China and seeking to strengthen Japan's defense capability.

The Taiwan lobby in the Japanese Diet likely originated with Prime Minister Abe's grandfather, Nobusuke Kishi, and his uncle, Eisaku Sato—both part of the "anti-mainstream revisionist" faction of the LDP, which was in opposition to the "mainstream mercantile realists" that prime ministers Yoshida and Ikeda represented.[194] The *Shintai-ha* (Taiwan lobby) was inherited by Yoshiro Mori—the faction that Abe rose through and in which the power center for the Taiwan lobby still resides. In addition to heading the Mori faction, Abe is the president of the legislator's alliance for the *Attoshinzenkyoukai*

192 Joint Statement U.S.-Japan Consultative Committee, Washington D.C., 19 February 2005, accessed online at http://www.mofa.go.jp/region/n-america/us/security/scc/joint0502.html, on 2 February 2013.

193 Hisahiko Okazaki, "The Strategic Value of Taiwan," 1.

194 Samuels, *Securing.*…14.

(East Asian Friendship Association), which is more politically benign than the *Nikka Giin kodankai* (Legislators Alliance for Japan and Taiwan), and has widespread support within the Diet and is just as influential in advocating for policies beneficial to Taiwan. [195]

As documented previously, the robust political exchange between Japan and Taiwan will likely grow under Abe's administration. As an opposition Diet member during the DPJ years, Abe was integral in updating the memorandum of understanding (MOU) between Taiwan and Japan in April 2010. The MOU sought increased cooperation in fifteen areas, including economic exchange, international law enforcement, a rules-based approach to maintaining safety on the high seas, and natural-disaster relief.[196] In testimony to the functionality of the MOU, less than a year later, when Japan suffered the worst natural disaster in its history, Taiwan was one of the first foreign nations that dispatched a team of experts to Japan, and provided more financial assistance to relief efforts than any other nation, by far. Abe led visits to Taiwan and met President Ma in 2010 and in 2011. On his visit in 2010, Abe and other members of the Taiwan lobby from the Diet flew on the inaugural flight of the Tokyo Haneda–Taipei Songshan route, the creation of which Abe had promoted as prime minister in 2006. After his visit in 2010, several official bilateral initiatives were signed by the IAJ (Japan's *de facto* embassy) and the East Asian Exchange Commission (Taiwan's *de facto* embassy), including an investment-protection protocol, agreements on support for private airliners, the *Kizuna* initiative for reconstruction assistance and tourism promotion in the aftermath of the Great East Asia Earthquake, and agreements on patent registrations. In this respect, IAJ serves as the executor of policy that typically originates in the Taiwan lobby in coordination with MOFA and METI. As far as a clear concept of the process for policy development, even Japanese government insiders, such as Yasuhiro Matsuda, remark that the actual policy-making process remains unclear. What is clear, regardless of the process, is that the Taiwan lobby is durable, adaptable, and regaining prominence. Even

195 Chen Fenglin, "Taiwan and the Sino-Japanese Relationship," *China-Taiwan Relations in a Global Context*, ed. George Wei, (New York: Routledge, 2012.), 80-83; Samuels, *Securing*…, 14.

196 Taiwan and Japan's Memorandum of Understanding (MOU) for the Enhancement of Exchanges and Cooperation to Further Bilateral Collaboration, 30 Apr 2010 Accessed online at http://www.ioc.u-tokyo.ac.jp/~worldjpn/documents/texts/JPTW/20100430.O1J.html.

after a charismatic leader such as Abe retires his post, the lobby will continue to affect policy.[197]

Additional legislation relevant to balance of power concerns supported by the conservative Taiwan lobby includes a significant defense budget increase and the decision to eliminate restrictions on arms sales abroad. Although the *Keidanren* was the primary lobbyist for the 2011 legislation to lift the export ban on armaments, members of the Taiwan lobby supported the legislation, primarily for the vitality of Japan's domestic defense industry, but likely also to open up possible arms or dual-use technologies sales to Taiwan.[198] Although Japanese arms sales to any country, much less Taiwan, remains extremely controversial and would come at a diplomatic cost with the PRC, an interesting development indicates it may be a real possibility. After potential sales of U.S. submarines to Taiwan lost momentum, a recent media report in Taiwan indicated that Taiwan's ministry of national defense (MND) has been coordinating with Japan's defense industry on the possibility of obtaining retired Japanese diesel submarines or acquiring new submarines through a three-way technology-transfer deal with the U.S. and Japan. While Taiwan's MND has denied the report, China naval expert Michael Cole, also cited an unnamed Japanese defense official who confirmed that preliminary talks between Taiwan and Japanese-defense-industry representatives had indeed occurred.[199] Political conditions in Japan and Taiwan for arms sales to take place would have to be exactly right, and while it is unlikely to be on Abe's near-term agenda, it is plausible that negotiation between Japan, the U.S., and Taiwan for a new three-way defense-procurement system for Taiwan is in the works. As with other facets of the

[197] Documents related to Japan - Taiwan Relations, "The World and Japan" Database Project Database of Japanese Politics and International Relations Institute for Advanced Studies on Asia, University of Tokyo, Accessed online at http://www.ioc.u-tokyo.ac.jp/~worldjpn/documents/indices/JPTW/index-ENG.html, on 30 Apr 2013; Matsuda, "Japan-Taiwan…,"10.

[198] Chester Dawson," Japan Lifts Decades-long Ban on Exports of Weapons", 28 Dec 2011, *The Wall Street Journal*, accessed online at http://online.wsj.com/article/SB10001424052970203479104577123710031180408.html, accessed on 28 May 2013.

[199] Michael Cole, "Taiwan's New Source for Submarine Tech?" *the Diplomat, 15 April 2013, accessed online at* http://thediplomat.com/flashpoints-blog/2013/04/15/taiwans-new-source-for-submarine-tech/, *on 16 April 2013.*

Japan–Taiwan relationship, the Taiwan lobby is likely sensitive to the domestic legislation that would need to precede arms sales. [200]

Another recent development in this category came early in 2013, when Abe approved the first significant defense spending increase in eleven years. Looking ahead, one of Abe's main goals for security is to address what he and many others in Japan and the U.S. believe to be flawed interpretations of Article 9 of the constitution by the Cabinet Legislation Bureau in 1972, which prohibits Japan's collective self-defense. Though Abe is resolute on changing the laws that govern Japan's constitutional amendments, as well as on amending the constitution directly, one practicable step would be simply to update the interpretation of the SDF's authority to conduct collective self-defense.[201] In his most recent summit meeting with President Obama in February 2013, Abe told U.S. officials he was committed to this crucial advancement for the U.S-Japan alliance.[202] While none of these developments can be tied directly to Taiwan, they are all initial steps that ultimately could provide the basis for more direct armament balancing against the PRC.[203]

Though the Taiwan lobby continues to be the nerve center of Taiwan support, other areas of the Japanese government typically support Taiwan in indirect ways. The MOD for instance, in its white papers and other official publications, regularly refers to the situation in the Taiwan Strait and military balance. MOD intelligence analysts and associated research analysts at the National Institute for Defense Studies (NIDS) are world class, and conduct careful and penetrating analysis of Taiwan and the PRC. One area that can be explored with respect to the MOD and NIDS is information exchange. The U.S. has maintained various track-II and unofficial dialogues with Taiwan since

200 Ibid.

201 Jim Auer, "What do you call the SDF if not a military force," Seiron column, *Sankei Shimbun* (in Japanese), 2 May 2013, 7.

202 Hisahiko Okazaki, "Conservative Tasks in Japan," *Japan Times*, 23 April 2013, accessed online at http://www.japantimes.co.jp/opinion/2013/04/23/commentary/conservative-tasks-in-japan/, on 15 May 2013.

203 Isabelle Reynolds,"Japan Defense Budget to Increase for First Time in 11 Years," 30 Jan 2013, accessed online at http://www.bloomberg.com/news/2013-01-29/japan-s-defense-spending-to-increase-for-first-time-in-11-years.html, on 27 May 2013.

1979 that provide important opportunities for gaining mutual understanding of the changing threat to Taiwan and regional stability. While there has undoubtedly been some direct participation by MOD and SDF in information exchanges with Taiwan's MND and military personnel through track-II dialogues or other less official events, this is an area of possible expansion under a favorable administration.[204]

U.S.–Japan liaison mechanisms within the MOD have historically been most relevant for Japan's potential security involvement in Taiwan. While Japan has spent considerable effort in developing its own unofficial exchange with Taiwan, engaging in a trilateral forum under the auspices of the U.S.–Japan alliance would carry much political weight. It would also offer welcome top cover and domestic and international legitimacy to the exchange with Taiwan. Before gaining traction for specific combined defense elements that would be directly tied to Taiwan, Japan's ability to conduct collective self-defense must be addressed. As in other areas, creativity is required and widely employed, even within the intricate bureaucracy of the MOD. One example of how Japan's balancing interests can be advanced without mentioning the defense of Taiwan is found in the Senkaku Island issue—a dual-use security issue, so to speak. Although the U.S. does not acknowledge Japan's sovereignty over the territory within the context of a territorial dispute with China and Taiwan, the U.S. reemphasized in 2010 that the Senkaku Islands are covered under the U.S.–Japan alliance as an area under the administration of Japan. As tensions have risen steadily since 2010, the MOD and SDF at all levels and their U.S. counterparts have participated in joint planning and exercises that would be relevant for a combined Senkaku islands operation. Although the defense of Taiwan would be of a totally different scope, many of the time–space–force (TSF) considerations would be similar to a combined operation for the defense of Taiwan. Especially in the realm of command, control, communications, intelligence, surveillance, and reconnaissance (C4ISR), coordination mechanisms for combined operations to defend or reclaim the Senkaku islands, from the command to the tactical level, would be very similar to what would be required for Taiwan. While the Senkaku Island issue is of a

[204] Japan Ministry of Defense, Japan Defense White Paper 2012, accessed online at http://www.mod.go.jp/e/publ/w_paper/2012.html, on 1 May 2013.

finite magnitude, the broader issues at the core—the U.S.–Japan alliance, Japan–China tensions, and even Japan–China–Taiwan relations—have great pertinence to Japan's potential cooperation for the defense of Taiwan.[205]

In conjunction with the combined efforts of the U.S.–Japan alliance for specific contingencies, the promotion of "dynamic defense cooperation" under the alliance encompasses the important conceptual framework and functional requirements for operating as a truly combined force. Dynamic defense cooperation is meant to address a variety of security issues in and around Japan. The three pillars for this cooperation are (1) timely and effective joint training; (2) joint surveillance and reconnaissance operations; and (3) joint use of facilities. Since 2011, Japan and the U.S. have conducted multiple exercises under these pillars, together with its regional allies, South Korea and Australia. The most substantial was the joint exercise conducted in the South China Sea in July 2011 by the U.S., Australia, and Japan, including the U.S. aircraft carrier *George Washington* strike group and Aegis destroyers from the JMSDF and Australian navy. While the focus of the exercises is interoperability and C4ISR, they are not large-scale and do not proceed through stages of complex operations designed for a specific contingency. The ultimate point, however, is in increasing alliance functionality, versatility, and proficiency in a variety of settings. A general goal of a more functional, versatile, and proficient alliance could obviously be applied to specific balance-of-power interests related to Taiwan, but a multi-function alliance is more valuable because it does not cross any specific red lines painted by the PRC. These examples are only a small sample of how the U.S.–Japan alliance is directly and indirectly supportive of Japan's balance-of-power interests in Taiwan, and will be examined more thoroughly in the final chapter, but it is important to accurately depict the relevance of the alliance, as the central and most prominent method of maintaining Japan's balance-of-power interests. [206]

It goes without saying that any direct, official, and public commitment by Japan to defend Taiwan would be crossing a perceived red line. The PRC's perspective has

[205] Testuo Kotani, The Senkaku Islands and the U.S.-Japan Alliance: Future Implications for the Asia-Pacific, Project 2049 Institute, Future-gram 13-002, 8.

[206] National Institute for Defense Studies, Tokyo, Japan, *East Asian Strategic Review 2013,* May 2013.

been clear and consistent: "Taiwan is a province of China which has long been returned to the motherland; the liberation of Taiwan is China's internal affair in which no other country has the right to interfere."[207] Yet it has not kept other nations, most prominently, the United States, from doing just that. Nonetheless, Japan is very aware of China's One-China principle and has stated that it "understands and respects it."[208] Japan has no intention of provoking ire by challenging China's core interests for no practical gain. Indeed, Taiwan represents one of those issues in international affairs that must be handled on multiple levels, with tact, gradation, and in many cases, great secrecy. For the time being, Japan has taken preliminary steps in pursuit of its own security interests, beginning with revising its legal interpretation of its defense capabilities and responsibilities. The MOD will not be placed in a position that risks slowing down progress towards those more immediate concerns, especially as the Strait is assumed to be stable now and into the immediate future. This thesis argues, however, that, the MOD will undoubtedly continue to support that goal in a range of unofficial and increasingly official ways.

Moving to the unofficial realm, several key non-governmental institutions serve to quietly and competently forward Japan's balance-of-power interests. One such organization is the Okazaki Institute. The Okazaki Institute advocates strong national defense capabilities, a stronger and more equal U.S.–Japan security alliance, and the formulation of other strategic partnerships (India and Taiwan primarily) to effectively balance the rise of China. As in the U.S., nongovernmental institutions play a critical role in accomplishing elements of foreign policy that are simply unfeasible for the government. While NGOs such as the Okazaki institute do not play a direct role in policy formation, they can be even more persuasive in a country like Japan, where retired diplomats and SDF officers (*senpai)* can pull strings from outside, sometimes in more effective ways than when they were inside the bureaucracies.

207 U.S.-PRC Joint Communique (Shanghai Communique), 27 February 1972, accessed online at http://history.state.gov/historicaldocuments/frus1969-76v17/d203, on 1 May 2013.

208 Joint Communique of the Government of Japan and the Government of the People's Republic of China, 29 Sep 1972, Japan Ministry of Foreign Affairs website, accessed online at http://www.mofa.go.jp/region/asia-paci/china/joint72.html, accessed on 1 Mar 2013.

Another example of an unofficial lobby for Japan's power interests is the lesser-known Friends of Lee Teng-hui Association. Although its mission is to promote cultural appreciation and friendship events between the people of Japan and Taiwan, it has also been involved in policy advocacy. Most notably, in March 2013, the association announced a policy proposal for enacting the "Basic Act for Japan–Taiwan Relations," which cited Abe's five principles for Japanese diplomacy:

> "…the [Abe's] five new principles, though failing to directly touch on Taiwan, are difficult for Japan to realize while neglecting Taiwan's presence. Therefore, the government should urgently enact the basic law…."[209]

The proposal laid out five points that provide a framework for defining Taiwan's status in Japan, promote Japan's interests under mutual benefits and "common values," denounce the use of force against Taiwan, and support the U.S.–Taiwan relationship defined in the TRA under the auspices of the U.S.–Japan alliance.[210] Indeed, the mere notion of a Japanese TRA is highly controversial, and would not likely gain much national traction unless widespread domestic consensus is achieved. To a certain degree, a TRA for Japan would only exist to ensure baseline consistency in Taiwan policy. In defense of the basic law for Japan–Taiwan relations on a defense-focused TV program, Sumihiko Kawamura, a retired admiral of the JMSDF and director of the Okazaki Institute, argued that the relationship with Taiwan was too important for Japan not to have some kind of mandate to standardize and legitimize their interactions.[211] Kawamura stressed that Japan should not be deterred by the PRC from enacting a similar law; after all, Japan is a democracy and must respond to the interests of its people. While an official TRA for Japan may ultimately be out of reach, Japan's defense-focused interests in Taiwan will persist, and NGOs such as the Okazaki Institute and other Taiwan-focused

209 Sumihiko Kawamura , "Enact Japan-Taiwan Relations Act Urgently," 27 Mar 2013, accessed online at http://en.jinf.jp/weekly/archives/1988.

210 Ibid.

211 Sumihiko Kawamura Interview, SakuraSoTv Bunka Channel, 24 Mar 2013, "Nittai Kankei…" accessed online at http://www.youtube.com/watch?v=BXY29UuZ33Q, on 10 May 2013.

associations will continue to provide platforms for pursuing politically sensitive arrangements with Taiwan.[212]

Other institutions that are important actors within the official foreign-policy establishment are MOFA and the proxy for diplomatic and economic representation for Japan in Taiwan, the IAJ. MOFA's relationship with the PRC carries obvious precedence over the unofficial relationship with Taiwan, yet there have been circumstances where MOFA has played a crucial role in balance of power and thereby supported Taiwan. Some recent examples are its official statements regarding President Ma's reelection in 2012 and the inclusion of the chief Taiwan TECRO representative (Taiwan's *de facto* ambassador) in the commemoration ceremony for foreign-relief efforts in the Great Eastern Japan Disaster, held in March 2013. MOFA's statement following Ma's reelection in January of 2012 was important; such a statement had not been made in twelve years, and because it focused on the special relationship with Taiwan, making no mention of the PRC and the One-China policy, as it had in previous statements. It stated:

> As Taiwan is an important region that Japan has close economic relations with and frequent mutual visits of people, the Government of Japan expects the continued and steady development of cooperative working relations between Japan and Taiwan, in accordance with Japan's position of maintaining the relations with Taiwan as working relations on a non-governmental basis.[213]

In contrast, Prime Minister Yohei Kono's statement on the election of Chen Shu-bian in 2000 was explicit with regard to Beijing's One-China principle. It stated:

> Japan, based on the Joint Communiqué of the Government of Japan and the Government of the People's Republic of China of 1972, will maintain its exchanges of private and regional nature with Taiwan as non-governmental working relations, whereas furthering stable and cooperative relations with China.[214]

At the ceremony commemorating the second anniversary of the Great Eastern Japan Disaster in March 2013, MOFA arranged for the Taiwan delegation to sit in the

[212] Ibid.

[213] MOFA website for Taiwan, accessed online at http://www.mofa.go.jp/region/asia-paci/taiwan/index.html, on 28 May 2013

[214] Ibid.

official diplomatic section, as a gesture of appreciation for the overwhelming support Taiwan provided to Japan in relief and monetary aid. Beijing démarched Tokyo shortly thereafter, citing a violation of the One-China principle, but this is possibly an early example of the tone that has been set by Abe with regard to Taiwan, namely, that Japan should be willing to risk angering the PRC when it comes to supporting Taiwan.[215] While MOFA's role remains primarily in the crisis management sector, a confident Abe administration with empowered diplomats might keep MOFA officials more focused on advancements with Taiwan, and other more like-minded nations—such as India, Australia, and South Korea—and less on crisis aversion with the PRC, as they have been accustomed.[216]

While the Interchange Association Japan (IAJ), MOFA's proxy for diplomatic engagement with Taiwan, is less an advocate for national interests and more a functional organization for facilitating business, cultural, and tourism connections, it also plays an intermediary role in solidifying and advancing ties with Taiwan at the behest of MOFA and the Taiwan lobby. The most telling example of this is the recent East China Sea fishery agreement, which was brokered by IAJ and the East Asian Exchange Committee on behalf of the governments of Taiwan and Japan in May of 2013. After sixteen years of negotiations, Japan and Taiwan reached a functional agreement on sharing the natural resources in the area of the disputed Senkaku/Diaoyutai Islands, and did so amidst the highest levels of tension between Japan and China. In this respect, the current state of Japan–Taiwan relations represented by IAJ is a crucial dynamic that is rarely factored into the overall scheme of U.S.–PRC–Taiwan–Japan relations. What is most impressive is that while Japan and China were posturing with coast guard and naval ships in the vicinity of the disputed islands, and the U.S. was caught in the middle—attempting to avoid mediation, while upholding its alliance obligations to Japan and at the same time conducting crisis management with the PRC; it was the functional and pragmatic diplomacy between the IAJ and EAC that scored the real diplomatic coup by coming to a peaceful and pragmatic agreement. As expected, the PRC démarched Japan again, citing

[215] Zhang Yunbi, "Beijing protests Tokyo's One-China policy violation," *China Daily*, 12 Mar 2013.

[216] Ibid.

a violation of the One-China principle, and the U.S. made no official statement about the agreement.[217]

Whereas the Taiwan lobby is the power center for balancing interests, the IAJ is the primary executor of those interests, and has been quietly advancing pragmatic ties with Taiwan, especially since 2009. See Appendix A for relevant documents on Japan–Taiwan relations conducted by the IAJ. In addition to wide-ranging bilateral agreements that the IAJ has managed since the special partnership between Japan and Taiwan was initiated in 2009, the organization is also responsible for the promotion of business, trade, investment, and tourism. While most of the IAJ's activities falls into the economic-interest category by facilitating private business ties with Taiwan, to a certain degree Japan's economic relationship with Taiwan does factor into balance-of-power calculations by reducing Taiwan's dependency on the PRC for its economic vitality. Any economic interest advanced with Taiwan for purposes other than profit should, thus, be placed in this category. Certainly some economic interests in Taiwan could fall into both of these categories: for example, a free-trade agreement (FTA) between Japan and Taiwan. Taiwan, since signing ECFA in 2010 with the PRC, has sought out FTA with other partner nations (Singapore and New Zealand) to diversify its trade relationships and prove to a citizenry that has become very wary of ECFA's implications for Taiwanese sovereignty that it is not totally dependent on the PRC. Thus, Japan's effort to create a formal free-trade network with Taiwan has great implications for the economic sovereignty of Taiwan, even as free trade carries obvious economic benefits under the principle of competitive advantage.[218]

5. Conclusion: Assessing Outcomes

While Japan's relationship with Taiwan should still be seen as existing largely within the boundaries set by economic interests and crisis management actors focused on

[217] Adam Westlake, "China angered over Japan-Taiwan fishing agreement near Senkakus," *Japan Daily*, April 10 2013, accessed online at http://japandailypress.com/china-angered-over-japan-taiwan-fishing-agreement-near-senkakus-1026761, accessed on 15 April 2013; U.S. State Department website, accessed online at www.state.gov, on 31 May 2013.

[218] Interchange Association Japan official website, accessed online at http://www.koryu.or.jp/, on 1 May 2013.

the PRC, the real shift in Japan's foreign policy in the past two decades has been a subtext of balance-of-power interests hedging against China in support of Taiwan. The complexity in distinguishing into which category foreign-policy interests fall is subjective to the method of attribution. For instance, the Fishery agreement signed in April 2013 between Japan and Taiwan could be seen as both crisis management with Taiwan and balance of power against China, and there is not a good method of quantification. The primary thrust of this thesis is that, even in the era of cross-Strait rapprochement, Japan has made significant strides in advancing balance-of-power interests involving Taiwan. While the typical de facto bureaucratic mechanisms between Japan and Taiwan may have atrophied during the DPJ administrations (2009–2012), the Taiwan lobby, led by conservative LDP factions, was in many ways empowered by its oppositional status during this period, and the "special partnership" between Japan and Taiwan initiated in those years is finally taking shape and impacting relations with tangible diplomatic actions. Combined with the codification of a new Japanese strategy for diplomacy, which, while not naming Taiwan specifically, is directly relevant to Japan's interests in Taiwan, the Japan–Taiwan relationship is now primed for a more formidable position in Japan's balance-of-power priorities. Though under the Ma administrations, Taiwan's primary objective has been stable relations with the PRC and rapprochement, Taiwan has also seen its relationship with Japan as a useful and popular way to maintain diplomatic space from the PRC—which coincides directly with Japan's primary balance-of-power interest – to provide continued diplomatic space and de facto sovereignty for Taiwan to prevent domination by communist China. In this primary goal Japan has had considerable success in recent years. Yet, the trend of overall closer Taiwan – PRC ties is of great concern to Japan, even while appreciating the increased stability it has brought to the region. [219]

In terms of the convergence of the U.S. and Japan's national interests with respect to Taiwan, this thesis finds that the near- to medium-term interests of the U.S. and Japan are most accurately viewed as a countervailing balance, with both centrifugal and

[219] Matsuda, "Japan-Taiwan…," 12.

centripetal forces that maintain a highly stable and functional equilibrium.[220] Though the U.S. may be reevaluating its balance-of-power stance to gain more flexibility in dealing with the PRC, Japan, sensing this nuanced *retraction*, has balanced with a nuanced *protraction*, by expanding its balancing interests in Taiwan. Furthermore, this thesis argues that Japan could feasibly play a more assertive role in triangular relations between Japan, the United States, and Taiwan, not just as a passive balancer, but as a proactive counter to Taiwan's increasing dependency on China. In terms of economic interests in Taiwan, Japan and America's interests in Taiwan diverge only in that the former's interests are significantly more profitable for Japan ($20+billion trade surplus) than for the United States ($14.5 billion deficit) with Taiwan of the total of $62 billion in U.S.-Taiwan trade in goods in 2012.[221] In this respect, while U.S. business interests may encounter competition with Japan in Taiwanese markets, basic economic interests between Taiwan, Japan, and the U.S. achieve a symbiosis of sorts, with top-brand Japanese products, supported by high quality Taiwanese labor and high-technology production inputs reaching lucrative consumer markets in the United States.

In the crisis management realm, Japan has historically been able to rely heavily on the U.S. to manage crisis with the PRC. As recent cross-Strait tensions have been reduced, Japan and the U.S.'s crisis management actors –the U.S. State Department and MOFA respectively – are able to devote more attention to facilitating business relations with the PRC. With tensions between Japan and China peaking over the East China Sea dispute from 2010-2012, however, U.S. crisis management actors sit awkwardly in between its most important ally—Japan—and its most important non-ally—the PRC. U.S. and Japanese crisis management actors, thus, converge over the appreciation for stability in the cross-Strait situation, yet diverge over the overall management of relations with the PRC and Taiwan. Regarding Taiwan, this thesis has presented evidence that the preliminary signs of divergence between the U.S. and Japan's interests in Taiwan are

220 This depiction was borrowed from Professor Alice Miller's description of an unrelated topic – the balance between PLA priorities and CCP national priorities as depicted in "China's Forbearance Has Limits: Chinese Threat and Retaliation Signaling and Its Implications for a Sino-American Military Confrontation, *INSS*, April 2013.

221 "2012 U.S. Trade in Goods with Taiwan," accessed online at www.census.gov/foreign-trade/balance/c5830.html, accessed on 5 Jun 2013.

present. Specifically, this divergence is found in the U.S. policy emphasizing the *process* of reconciliation to support conditions for peaceful negotiations between both sides of the Strait, whereas Japanese interests in Taiwan are largely enduring, and thus, rest more heavily on the *outcome* of reconciliation.[222]

Positing that PRC–Taiwan unification continues to appear more likely, Japan's fundamental interests may continue to diverge significantly from U.S. interests in Taiwan. Japan's potentially greater interest in continued political separation between Taiwan and the PRC, could either complicate U.S. policies towards China and Taiwan or augment U.S. strategic interests in the region, depending on numerous variables. Significant coordination would, thus, be required to manage these differences within the framework of the alliance; and this specific issue could greatly factor in to the determination of the long-term alignment and utility of the U.S.–Japan alliance for both countries. The following chapter will examine the implications for this potential divergence over Taiwan for the U.S.–Japan alliance.

[222] Shirley Kan, China/Taiwan: Evolution of the "One-China" Policy – Key Statements from Washington, Beijing and Taipei," *Congressional Research Service*, 24 Jun 2011, summary.

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III. CONCLUSION: IMPLICATIONS FOR THE U.S.–JAPAN ALLIANCE

> America is the world's greatest naval power and preeminent economic superpower; Japan is Asia's largest maritime democracy and a liberal capitalist state second only to the United States. It stands to reason that our two nations should be partners. Today the United States is shifting its focus to the confluence of the two oceans, the Indian and the Pacific - this very region where we stand today. At such a time, the Japan-US alliance takes on a more vital significance than ever before. I believe that to ensure that these two great oceans can meet in calm conjunction, bringing benefit to all the people of the world, now is the time for us to dedicate even more energy to the bilateral alliance, giving it still greater roles to play. Toward this end, Japan must make greater efforts than before, bringing new ideas and creativity to bear. From now on the Japan-US alliance must affect a network, broad enough to ensure safety and prosperity encompassing the two oceans. The ties between Japan and America's other allies and partners will become more important than ever before for Japan.
>
> –Prime Minister Shinzo Abe, January 2013

A. THE STATE OF THE ALLIANCE

In 1972, in talks with Chinese Premier Zhou En-lai, President Nixon laid out five principles for negotiating normalizations with the PRC. The third principle focused on Japan's relationship with Taiwan:

> [W]e will, to the extent we are able, use our influence to discourage Japan from moving into Taiwan as our presence becomes less, and also discourage Japan from supporting a Taiwan independence movement. I will only say here I cannot say what Japan will do, but so long as the U.S. has influence with Japan—we have in this respect the same interests as the Prime Minister's government [the PRC]—we do not want Japan moving in on Taiwan and will discourage Japan from doing so.[223]

The alliance has endured many challenges since 1972 and it continues to be the foundation of the U.S.-led security structure in East Asia. Within the parameters of this alliance, the unresolved status of Taiwan still presents one of the most precarious security situations in the region, one that could lead to major war with China. Within the larger scope of U.S.–China–Japan–Taiwan relations, Japan and Taiwan's relationship would

223 Kan, "China/Taiwan…", 31.

generally be considered the least prominent of all possible combinations. Despite this reality, when pulling back the veneer from this seemingly tertiary regional relationship, there is a depth of interaction that is difficult to categorize, yet that has potential to greatly influence security and stability in the region. This chapter seeks to answer these final questions: What are the implications of Japan's enduring and current interests in Taiwan for the U.S.–Japan alliance, and how can the unique relationship between Japan and Taiwan be leveraged most effectively for the benefit of the alliance and stability of the region?

Although the U.S. has more formal responsibilities to Taiwan outlined in the TRA, based on Japan's long and rich interaction with Taiwan, the likely codification of Japan's own grand strategy favoring interactions with like-minded nations, a favorable domestic political situation featuring an empowered Taiwan lobby, and public support for Taiwan. In the case that PRC–Taiwan unification grows more likely or even comes to fruition, Japan's fundamental interests in Taiwan might diverge significantly from U.S. interests, and significant coordination would be required to manage these differences within the framework of the alliance. Specifically, the reality that Japan has a greater interest than the U.S. in Taiwan maintaining some form of political separation from the PRC, regardless of the process used in reconciliation, could either complicate U.S. policies towards China and Taiwan, or augment U.S. strategic interests in the region, depending on a wide variety of variables and the methods utilized by the alliance. Furthermore, Japan could feasibly play a more assertive role in the triangular relationship with the United States and Taiwan, not just as a passive balancer, but as a proactive balance to Taiwan's increasing dependency on China. Specifically, as the U.S. edges away from more controversial cross-Strait issues, such as arms sales, Japan could provide diplomatic space for Taiwan in other ways. While any official defense-oriented arrangement between Japan and Taiwan would be highly problematic and a greater risk to Japan's interests in China, recent developments show it is not entirely outside the realm of possibility. To a certain extent, Japan could also provide a non-military balance to the PRC that functionally accomplishes the intent of the traditional U.S. role, providing diplomatic space that Taiwan can leverage for an acceptable outcome in negotiations with

the PRC. Furthermore, Japan providing Taiwan a more assertive balance against the PRC could allow the U.S. to advance the alliance in other more problematic areas, such as basing and functional arrangements for collective self-defense in areas surrounding Japan and beyond. In essence, the U.S. need not spend any diplomatic effort to convince Japan of the importance of hedging against China by supporting Taiwan, but the U.S might need to convince Japan that supporting Taiwan continues to be in the U.S.'s interests. As the strategic situation continues to change, it might end up being Japan, which convinces the U.S. that supporting Taiwan is in the enduring interests of both countries.

1. Important U.S. Perspectives of the Alliance

In a recent press conference (April 29, 2013) between Japan's Minister of Defense Onodera and the U.S. Secretary of Defense Hagel, the U.S.-Japan alliance was reaffirmed as the "cornerstone of regional security and prosperity."[224] Amid changes in the strategic situation and U.S.–China–Taiwan–Japan relationships, fundamental alignment issues of the U.S.–Japan alliance are also being reexamined, including the U.S. "rebalance," U.S. basing issues in Japan, Japan's re-interpretation of collective self-defense (and potentially the revision of its pacifist constitution), and the 1997 U.S.–Japan Guidelines for Defense Cooperation. In 2005, many on the U.S. side recommended clarity in the form of a Taiwan clause. In the effort to revise the guidelines, it was initially expected that clarity regarding the Senkaku Islands, Taiwan, and other areas surrounding Japan would be included, but given the current environment of cross-Strait rapprochement and the positive steps taken between China and Taiwan, calls for this type of strategic specificity from the U.S. and Japan have generally been muted.

To get a sense of the current status of some of the baseline U.S.–Japan alliance issues, it is helpful to examine recent statements by U.S. DOD official Mark Lippert, formerly the assistant secretary of defense for East Asia and now chief of staff for the secretary of defense. In a recent (May 2013) interview by the *Wall Street Journal*, the following questions and answers were exchanged:

224 Joint Press Conference – U.S. Secretary of Defense Chuck Hagel and Japan's Minister of Defense Itsunori Onodera, *Pentagon Channel*, April 29, 2013.

WSJ: How does the United States intend to make use of the Japan–U.S. alliance to deal with these A2/AD challenges from China? What's the role of Japan in implementing the Air-Sea battle concept?

Lippert: Well, the U.S.-Japan alliance is a multi-faceted, decades-old, incredibly strong alliance that is not aimed at China. What the U.S.-Japan alliance is about, first and foremost, is protecting the Japanese homeland, and promoting peace and prosperity in Northeast Asia and, more broadly, in the Asia-Pacific region and the world.

WSJ: In revising the Guidelines for Defense Cooperation between Japan and the United States, which is now ongoing, how will this issue of China's challenges be addressed?

Lippert: What we have to do with the Guidelines review is about updating our alliance capabilities to meet the challenges of the Asia-Pacific environment in the 21st century. So, I think what you've got to do is not to look at a specific third country, but the region more broadly and, quite frankly, globally, what Japan wants to do globally. I mean, you've seen the Japanese play productive roles in many other places around the world now. So, I think that's what you have to--the focus has got to be. Second of all, what are we doing to ensure that the regional security challenges of the 21st century are properly addressed? And third, how does all of this overlay with the global environment that we find ourselves in today?

WSJ: What could be Japan's most significant contribution to the U.S. rebalance?

Lippert: That's a really good question. I mean, there are a number of things that Japan could do. I think the TPP is important, in that, as one of your other questions gets at--you know, ultimately, the rebalance is a political and economic strategy--and that makes, and there has been a lot of focus on, the security angles. But I think that, ultimately, it's a political and economic strategy and that's why the TPP is so important. And that's also why foreign assistance is so important. Japanese foreign assistance and engagement in and around Asia, be it partnering with Australia or more engagement in Southeast Asia or, quite frankly, its very strong bilateral relationship with India, that is very important. I think where Japan has the most to offer is on the economic, political sides. But the Guidelines review fits nicely into our rebalancing strategy, so there is a smaller but important security component as well.[225]

For the purpose of this thesis, it is also important to evaluate Lippert's comments in terms of how Japan and Taiwan might interpret these comments. It is possible that

[225] Interview: Mark Lippert, "U.S. deploys high-end weapons in Pacific to meet China's challenge, other contingencies *Wall Street Journal*, 30 May 2013, accessed online http://ajw.asahi.com/article/views/opinion/AJ201305290016.

China was reassured by his comments, which was the likely intent ahead of the Xi–Obama summit in May of 2013, though the PRC arguably understands the U.S.–Japan alliance for what it is: the most powerful deterrent it faces. Taipei would feel utterly ignored, which it has become accustomed to, especially in the public arena, and it is fair to say Taiwan, too, is primarily focused on its relationship with the PRC. Japan alliance representatives, however, have the most legitimate cause for concern and frustration. Though Lippert extols the overall value and far-reaching impact of the alliance, when asked about the intent of the Guidelines for Defense Cooperation and rebalance, Lippert answers by advocating for a trans-regional economic trade pact—the Trans-Pacific Partnership (TPP)—instead of outlining specific steps that could make the security alliance more functional. With negotiations in progress between Japan and U.S. defense officials, this statement could compel the Japanese to question the American commitment to achieve any substantial progress for alliance functionality. It can also be interpreted as reaffirming that, at least on the surface of foreign affairs, even in the context of the U.S.–Japan alliance, U.S. interests have shifted heavily towards economic interests and crisis management with China, away from long-standing balance of power interests that inherently supported Taiwan. This also could be a simple case, where the objectives for defense cooperation do not belong in the public domain.

A significant portion of the critical work for alliance representatives must occur behind closed doors. James Auer, a former special assistant for Japan in the Office of the Secretary of Defense in the 1980s, was integral in alliance negotiations through difficult and controversial issues such as Japan's cancellation of the development of the FSX fighter and Okinawa basing issues, which bolstered both U.S. interests and the overall strength of the alliance. Auer, who has been directly and indirectly involved with many of the incremental evolutions of the alliance through the end of the Cold War to the present day, predicts that the U.S.–Japan alliance will continue to adapt and become more purposeful as Japan reconciles its defense authorities and realistically evaluates mission capabilities. Auer's perspective was highlighted in a May 2013 article in the *Sankei Shimbun*:

> If Japan makes it clear that it has an armed force with ample capability to deal with multiple threats, that the prime minister is the supreme commander of this army, and that this supreme civilian commander elected by the Diet can order individual or collective defense measures if he determines that this is in Japan's national interest, it will greatly discourage China from taking such actions against Japan. The U.S. cannot issue orders to the Japanese army. However, with the above-mentioned steps, it will be much easier for the civilian and military officials of both countries to talk realistically about mutually enhancing deterrence.[226]

Auer remains optimistic that the combined U.S.–Japan effort to develop a joint strategy for deterring China's aggression will continue to maintain peace and stability in the region. He argues that, although the rise of China is undeniable and its current and future behavior is suspect, increased U.S.–Japan cooperation will evolve to meet the challenge. Particularly, Japan's Self-Defense Forces (SDF) need to become more operationally functional and freed from prohibitions against the right to exercise collective self-defense, especially in Japan's southwest territories. All indications are that either a constitutional revision of Article 9 or a clarification of the restrictive and outdated 1947 and 1972 interpretations of collective self-defense, or both, will occur during the Abe premiership, which continues to have political credibility and public support heading into the upper-house elections of the Diet in the summer of 2013.

While many in Japan and the U.S. are confounded by the duality of the hedge-and-engage strategy towards China, and many others are focused on the tactical concept of "air–sea battle (ASB)," Auer argues that the emergence of the "Offshore Control" strategy put forward by T.X. Hammes of the National Defense University provides a realistic and pragmatic strategy for deterring the PRC. Most importantly, it is a strategy that provides a desired end state for favorable conflict resolution, and it could actually be implemented under the auspices of an updated U.S.–Japan alliance enabled through functional collective self-defense.[227] While still in a preliminary stage of development, the "Offshore Control" strategy also appears to be gaining traction among Japanese defense analysts and has been examined by a panel of experts at the Okazaki Institute,

[226] Auer, "What do you call the SDF…"7.

[227] Jim Auer, "What do you call the SDF if not a military force?" (In Japanese), *Sankei Shimbun*: "Seiron" column, May 2, 2013, 7.

most of whom are official U.S.–Japan strategic dialogue participants (sponsored by the Defense Threat Reduction Agency).

Having a strategy is not equivalent to having an operational plan, but a strategy in many ways is more important than having a shelved plan for a given situation. Correspondingly, the current effort to review the defense guidelines, while an important step in updating and standardizing the concept of combined operations for situations that Japan and the U.S. might be involved in, is not a realistic planning effort for specific contingencies such as Taiwan. In the end, any strategy in a bilateral alliance must first be practical and acceptable to both partners. In Japan's case, there are preliminary advances to be made in normalizing security issues before it could commit to a truly combined strategy for the deterrence of China or defense of Taiwan. Second, Auer might argue that ongoing, daily coordination and joint operations between allies is the most important aspect of dealing with a strategic challenge—more so than a conceptual guideline or even an operational plan. Working shoulder to shoulder on a regular basis towards a mutually beneficial objective forms the true strength of any alliance.[228]

Other commentators of the U.S.–Japan alliance have less faith in the benefit of Japan's involvement in a combined strategy designed to deter China. Michael Swayne, a highly cited China analyst, reflected this concern saying, "Japanese involvement in a Sino–American crisis over Taiwan could significantly complicate or destabilize the situation."[229] It is telling that Swayne's concern also extends to the citizens of Taiwan as another "third party," whose involvement "could produce significant instabilities and misperceptions, possibly resulting in unwanted escalation."[230] Though dated, Swayne's concerns have valid origins, as seen in the U.S. negotiations with the PRC in the early 1970s, where, after the status of Taiwan, concern over Japanese involvement in Taiwan was the second-most contentious issue. Though many China-focused analysts have revised their assessments of the value of Japan as a normal and proactive member of the

228 James Auer Oral History Interview, Conducted by Koji Murata, Mar 1996. Hammes, "Off-Shore Control…"3-16.

229 Swaine, *Crises*, 440.

230 Ibid.

alliance, a recent net-assessment conducted by the Carnegie Endowment, *China's Military and the U.S.–Japan Alliance in 2030: A Strategic Net Assessment*, to which Swayne was a contributor, produced provocative results.[231] Most notably, the study concludes that:

> The status quo is likely to prove unsustainable. Despite the potential complications, Washington and Tokyo must seriously evaluate these possible responses. Current economic and military trends in China, Japan, and the United States suggest that existing policies and strategies might fail to ensure a stable security environment conducive to U.S. and Japanese interests over the long term.[232]

Swayne and his coauthors argue that the most likely challenge to the alliance is not a major war. They predict rather that "the likeliest challenge instead stems from Beijing's growing coercive power—increasing Chinese military capabilities could enable Beijing to influence or attempt to resolve disputes with Tokyo in its favor short of military attack."[233] The report also provides a summary judgment on potentially diverging Japanese assessments of the impact of cross-Strait reconciliation on Japan, regardless of the process used:

> Although improvement of China–Taiwan relations may be reducing the prospect of war, Japanese defense analysts emphasize that the cross-strait military balance is shifting in favor of the People's Republic of China. Some are also concerned that a resolution of the Taiwan conflict in favor of China (that is, Taiwan acquiesces to China's notions of reconciliation and ultimately reunification) could yield a strategic situation unfavorable for Japan with respect to China.[234]

Finally, the report provides three goals for the alliance in facing the China challenge over the long-term:

1. Reduce fears that future U.S. political-security policies toward China might either expose Tokyo to unwanted pressures and threats from Beijing or, alternatively, reduce the credibility of U.S. security assurances to Japan;

231 Michael Swaine and Mike Mochizuki, *China's Military and the U.S.-Japan Alliance in 2030: A Strategic Net Assessment*, Washington D.C.: Carnegie Endowment,2013 Executive Summary.

232 Swaine and Mochizuki, Summary, xix-xxi.

233 Ibid, 120.

234 Swaine and Mochizuki, 180.

2. Facilitate the peaceful handling of possibly intensifying Sino–Japanese territorial disputes and encourage the development of a more cooperative overall Sino–Japanese relationship; and

3. Maximize the likelihood that Tokyo will acquire the kinds of capabilities and policies that are deemed necessary by Washington to defend U.S. and allied interests in the face of a more assertive, rising China.[235]

Though Taiwan was not the focus of the report, the Japanese assessments regarding Taiwan that were highlighted bolster the hypothesis of this thesis. Especially the conclusion that Japanese enduring interests in Taiwan could produce a long-term divergence from U.S. interests, regardless of the process of reconciliation are in accord with the findings of this thesis.[236] Nonetheless, Japan will not be able to make any substantial shift in policy towards supporting the security of Taiwan, such as implementation of a TRA or weapons sales, before it has addressed issues critical to its own security apparatus. Current developments indicate that Abe is willing to move forward with security issues, despite tensions with China. He has already made his first move in submitting legislation to establish a cabinet-level national security council as of June 2013.[237] It is significant to note that the likelihood of North Korean provocations is cited as the primary justification, and China's assertive stance in the East China Sea is a secondary motivation. There is of course no mention of Taiwan in public statements. While Japan's support of Taiwan's security typically remains too sensitive to broach in official circles, its balance-of-power interests in Taiwan are undoubtedly a serious consideration in the current thrust towards normalization in defense matters. Furthermore, in the current process of reviewing the defense guidelines, the evidence suggests that within the context of the U.S.–Japan alliance, Japan would be totally committed to Taiwan's defense.[238]

235 Ibid, 180.

236 Ibid.

237 "Abe cabinet approves National Security Council Bill amid China tensions," *Asahi Shimbun* , 7 Jun 2013, accessed online at http://ajw.asahi.com/article/behind_news/AJ201306070106, on 07 Jun 2013.

238 Ibid.

2. Important Japanese Perspectives of the Alliance

This thesis' discussion is admittedly biased, in that some areas of the debate surrounding Japan's interests in Taiwan were represented more prominently than others. The areas that are covered, however, are deemed to have the greatest potential for change. Hisahiko Okazaki's work obviously carries extra weight in this regard, as he has been the primary champion for Japan's balance-of-power interests in Taiwan as a bureaucrat, diplomat, ambassador, and strategist in the realm of ideas for forty years. His stance is unequivocal and his vision for Japan's grand strategy in the delicate balance of power in East Asia is distinct among Japanese and foreign commentators. Most importantly, he has maintained influence with the real power center of Japan's policy development—the Taiwan lobby—and is particularly influential with the current prime minister and cabinet. On the U.S.–Japan alliance, Okazaki is resolute in his support and advocacy, though he does not hesitate to criticize its inefficiencies and shortcomings. Okazaki's perspective was heavily shaped by the "Nixon shocks" of 1972. As a senior bureaucrat in the information-analysis division of MOFA (equivalent to State INR), he was tasked with finding the evidence that an American diplomatic reversal was imminent, such as Nixon's *Foreign Affairs* article in 1968 and his speech in Kansas City in 1971, as there was no prior consultation with Japan.[239] Okazaki, as a realist, recognizes the uncompromising demands of protecting national interests and sees great alignment in the long-term security interests of the U.S. and Japan; but he has wondered publicly whether a second "Nixon shock" could occur ahead of the June 2013 Xi–Obama summit in Sunnyvale, California. Okazaki has also frequently voiced his frustration with the U.S.'s Taiwan policies, which he sees as counterproductive and obtuse at times. Though not many Japanese analysts speak so boldly regarding U.S. policies, particularly on Taiwan, Okazaki seems hopeful that the U.S., as a true global superpower, will use its power to support the interests of its ally, Japan. In essence, Okazaki, above all else, is arguing for strategic clarity from the U.S., especially in the cross-Strait issue; if there is

[239] Hisahiko Okazaki, "Dai-Ni Nixon-Shokku ha Aruka?" in Japanese, (Is the Second Nixon-Shock coming?), Okazaki Institute website, accessed online at http://www.okazaki-inst.jp/2013/04/post-100.html, on 5 Jun 2013.

true strategic alignment, there should be no need for ambiguity.[240] In terms of how Okazaki's perspective can be incorporated into efforts to improve the U.S.–Japan alliance, it should first be evaluated for what it is: a highly charismatic perspective that directly influences the conservative factions of the LDP, and that will be the force behind Japan's security-policy development for domestic law and foreign affairs. Secondly, if Japan continues to expand its security relations with Taiwan, the Okazaki Institute would be the most likely host for developing a trilateral track-1.5 (semi-official) forum that includes academics, businessmen, politicians, diplomats, and active and retired senior military officers from the U.S., Taiwan, and Japan.

Another prominently featured Japanese perspective in this thesis is that of Yasuhiro Matsuda. Matsuda's can be considered a nuanced, moderate view in strong alignment with Asia-hands influential in the current U.S. administration, such as Susan Shirk and Joseph Nye. Matsuda advocates a balanced approach that maintains the alliance and seeks partnerships with other countries as well, noting that "Asian countries that previously had antagonistic relations with China—India, Vietnam, and Taiwan—now seek improved status."[241] He sees value in the hedge approach so long as it targets the "uncertainty" of China's rise instead of prematurely labeling it as a threat. Furthermore, he does not see "hard balancing" as a viable option for Japan, making the case that "Japan will likely be the sole loser if it alone takes the containment path."[242] Matsuda believes that the domestic debate in Japan might shift support away from a stronger hedge against China, and thereby the alliance—an assessment aligned with Samuels's Goldilocks prescription, in which Japan's future rests somewhere "just right" in the middle of engagement with China and the credible hedge of the U.S.–Japan security alliance.[243] Matsuda's observation on Japan's relationship with Taiwan is similarly objective. Primarily he sees that, although Japan and Taiwan's relationship is one of the steadiest in East Asia, the current moderate and stable environment in the

240 Ibid.

241 Matsuda, "Engagement…,"115.

242 Ibid.

243 Ibid, 115-117.

Strait allows enhanced political ties between them. It is doubtful that Matsuda would endorse continued enhancement of Japan–Taiwan ties if a more hostile cross-Strait environment developed.[244] Evidence presented in this thesis runs counter to this assertion, as Japan–Taiwan political and security ties seem to have advanced significantly in the periods of greatest cross-Strait tensions. With Japanese public opinion hardened against the PRC and increasingly favorable to Taiwan, it really boils down to how much Japan is willing to risk in its relationship with Taiwan. The primary implications of Matsuda's assessments for the alliance is that Japan still very much needs the U.S., as the more powerful member of the alliance, to provide top cover for the pragmatic interests and the genuine sentiment Japan has invested in Taiwan, but that continued relevance for the alliance will require skilled management and coordination.

3. Methods for a More Functional Alliance

This thesis has attempted to identify Japan's interests in Taiwan through modern history and in the current context. It should be understood that Japan has independent strategic interests to maintain and protect in Taiwan. Taiwan, of course, has its own agenda, which appears to include a significant relationship with Japan. Japan's enduring interests could diverge significantly from specific U.S. policy-based approaches to the cross-Strait issue in the short-term, but could also greatly complement U.S. long-term strategy in the region. The security alliance continues to be the foundation for peace and stability in the region and also serves as a functional mechanism for strategic alignment for the U.S. and Japan. This assertion is based on the simple reality that the U.S. and Japan are deeply invested in the alliance and have validated its worth through many significant iterations of strategic change; as such, the institutionalized nature of the alliance could not only serve to maintain mutual commitment, even in times of tension, but also could serve as a coordination mechanism to alleviate tension as areas of strategic divergence develop. Every effort should be made to continue to augment and refine the functionality of the alliance. Particularly as relates to Taiwan, the U.S. and Japan should identify areas of divergence early, and address nascent concerns under the auspices of the

[244] Matsuda, "Japan-Taiwan…," 12.

alliance. The following ten recommendations were made by Mike Green in the conclusion of *Reluctant Realism* in 2001. Though Green did not connect his recommendations specifically to Taiwan, they are especially applicable to the U.S.–Japan alignment over Taiwan: **(**In the following listing, the comments as to how Green's recommendations relate to Taiwan are those of the author, and not coordinated with Green) [245]

1. **"Recognize Japan as an independent actor."** It should not be assumed that Japan will defer to U.S. policy on Taiwan, though it recognizes that the U.S. still has the lead for security in the Taiwan Strait in case of PRC aggression. Japan is reconciling the gap between its strategic interests and strategic capabilities, and the U.S.–Japan alliance would benefit from having a stronger strategic ally in a "normal" Japan.
2. **"Support an active Japanese foreign policy identity."** The paradigm of Japan as a constrained power is rapidly shifting. As Japan's foreign-policy identity takes shape in Taiwan, it could be seen as a benefit to U.S. strategy in the region if managed correctly. For the U.S., having plausible deniability for Japan's quiet objectives to support Taiwan could be beneficial, as long as strategic alignment between Japan and the U.S. remains unbroken.
3. **"Form common strategies early."** Appropriate mechanisms for a stronger U.S.–Japan–Taiwan interaction, such as Track-II and even Track 1.5 trilateral forums, are needed to evaluate potential strategies early. After early conceptual collaboration, continuous coordination for incremental implementation and analytic and operational validation is also necessary.
4. **"Raise the bar of expectations."** That something has not been done in the past does not mean it cannot be done. The U.S.–Japan alliance will continue to be the strongest security presence in the region, until both countries cease to act in a manner representative of that strength. Japan and the U.S. should be confident in the unifying principles of freedom and prosperity, especially with regard to Taiwan. Although Taiwan's democratic development has been somewhat problematic for the U.S., the virtues of a Chinese democracy should not be brushed aside. More effort should be made within the trilateral framework or in the Japan–Taiwan bilateral relationship to support Taiwan's democracy, which would surely be in line with U.S. grand strategy.
5. **"Avoid hitting down the nail that sticks up."** Some amount of deviation from U.S. policy on Taiwan is natural and could be beneficial. Allowing Japan to push the envelope with its ties to Taiwan, although seemingly contentious, is more likely to receive muffled responses from the PRC, as it tries to remain magnanimous in the current cross-Strait reconciliation process. Any more

245 Michael Green, *Reluctant…*, 283-284.

substantial fallout would fall squarely on Japan, likely in the form of economic coercion, such as the rare-earth minerals case in 2010, which in the end does not look good for the PRC.

6. **"Invest in personal relationships."** The long history of Japan and Taiwan has shown that individuals matter greatly in shaping relations between nations. This has always been the case with the U.S.–Japan alliance as well. Particularly in the case of the Taiwan lobby, specific people in the Japanese government, such as faction leaders, matter more than others. Smart engagement of key individuals who are influential in the Taiwan lobby would bring significant dividends for the alliance.
7. **"Elevate formal consultations."** While personal relationships and informal coordination mechanisms matter greatly, so does process and bureaucracy. Formality can serve to reach consensus, especially in Japan. While Taiwan remains a sensitive topic for formal coordination, Japan and the U.S. should use all mechanisms available, especially those out of public view.
8. **"Listen to Japan."** The alliance would benefit from thinking not only in terms of what the U.S. can get Japan to commit to, but how it can solicit Japan's help on issues in which Japan has a greater stake. Particularly regarding China and Taiwan, Japan's opinions should be seen as valuable and potentially key to the combined strategy.
9. **"Beware of brokering."** As seen in the East China Sea dispute, the U.S. maintains its stance of non-intervention on territorial disputes, yet has committed to the defense of any territory Japan administers. In the case of Taiwan, the U.S. should not try to limit or intervene in Japan's interaction with Taiwan, as it has generally proven to be a stabilizing and productive interaction, despite China's ephemeral protests.
10. **"Encourage interagency cooperation."** The Taiwan issue involves many stakeholders. Any substantial progress between agencies such as MOD to DOD will be limited without interagency coordination. The format of the "2+2" Security Consultative Committee has been validated... perhaps an AIT-IAJ consultative committee should be investigated.

Green's recommendations for the U.S.-Japan alliance are especially valuable because they worked. His time on the National Security Council staff is still viewed as one of the most functional periods of U.S.–Japan–Taiwan trilateral relations, despite serious challenges in the political and strategic situation. Green concludes his examination of Japan's foreign policy poignantly, writing, "The United States should welcome a Japan that focuses more on its core national interests. And as Japan raises its head, it should always see its ally, the United States, standing ready to help."[246]

246 Green, *Reluctant*…, 285.

In the realm of foreign affairs in East Asia, there are many uncomfortable realities. The U.S. has struggled to execute strategy and maintain its interests in Asia when not dealing squarely with certain uncomfortable realities. The reality of Japan's national interests in Taiwan is also one that falls into the category of an uncomfortable reality. The comfort level, however, only further deteriorates when artificial expectations are levied. If the PRC is able to unify with Taiwan, Japan will be left with difficult decisions, most of which have less than optimal outcomes for the U.S. position in the region. Certainly the U.S.'s ultimate responsibility is to its own national interests. There are certainly many other possible and even unforeseen scenarios, such as a unified China, with authorities on Taiwan acting as a mediator for Japan and mainland China; the U.S. and China as greater strategic partners, with the U.S. mediating for peace between China and Japan; and a variety of unforeseen "gray" or "black swan" scenarios.[247] All this considered, in the interests of maximizing the functionality of what should be viewed as the most important bilateral alliance (U.S.-Japan), in a region that carries the majority stake of U.S. interests (Asia-Pacific), it is important that the U.S. acknowledge the potentially diverging perspective of its ally (Japan) concerning the issue of the greatest magnitude (Taiwan), with its most important strategic competitor (China).

[247] Borrowed from Nasim Taleb's "Black Swan" concept as published in *Black Swan: The Impact of the Highly Improbable*, (New York*: Random House*, 2007), title.

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APPENDIX 1: DOCUMENTS RELATED TO JAPAN–TAIWAN RELATIONS.

Table 1. The World and Japan" Database Project (Database of Japanese Politics and International Relations Institute for Advanced Studies on Asia, University of Tokyo)

Titles	***Languages***			***Date***
Treaty of Peace Between the Republic of China and Japan	Japanese	English	Chinese	Apr 28 1952
Treaty of Peace Between the Republic of China and Japan Protocol (1953)	Japanese	English	Chinese	Jul 18 1953
Sino-Japanese Provisional Air Agreement	Japanese	English	Chinese	Mar 15 1955
Treaty of Peace Between the Republic of China and Japan Protocol (1955)	Japanese	English	Chinese	Jul 2 1955
Trade and Payments Arrangement Between the Republic of China and Japan (1961)	Japanese	English	Chinese	May 23 1961
Exchange of Notes Between the Government of The Republic of China and the Government of Japan Concerning Load of Japanese Yen (1965)	Japanese	English	Chinese	Apr 26 1965
Exchange of Notes Between the Government of The Republic of China and the Government of Japan Amending the Provisional Air Transport Agreement (1966)	Japanese	English	Chinese	Mar 30 1966
Exchange of Notes Between the Government of The Republic of China and the Government of Japan Amending the Provisional Air Transport Agreement (1969)	Japanese	English	Chinese	Apr 23 1969
Agreement between the Government of The Republic of China and the Government of Japan for the Establishment of a Vocational Training Centre for Metal Manufacturing Industries	Japanese	English	Chinese	Dec 5 1969
Exchange of Notes Between the Government of The Republic of China and the Government of Japan Concerning Load of Japanese Yen (1971)	Japanese	English	Chinese	Jul 9 1971
Agreed Minutes of the Seventh Round Economic and Trade Conference Between the Association of East Asian Relations and the Interchange Association	Japanese	English	Chinese	Oct 30 1982
Agreed Minutes of the Eighth Round Economic and Trade Conference Between the Association of East Asian Relations and the Interchange Association	Japanese	English	Chinese	Nov 11 1983

Titles	*Languages*			*Date*
Agreed Minutes of the Ninth Round Economic and Trade Conference Between the Association of East Asian Relations and the Interchange Association	Japanese	English	Chinese	Nov 30 1984
Agreed Minutes of the Tenth Round Economic and Trade Conference Between the Association of East Asian Relations and the Interchange Association	Japanese	English	Chinese	Nov 15 1985
Agreed Minutes of the Eleven Round Economic and Trade Conference Between the Association of East Asian Relations and the Interchange Association	Japanese	English	Chinese	Sep 12 1986
Agreed Minutes of the Twelve Round Economic and Trade Conference Between the Association of East Asian Relations and the Interchange Association	Japanese	English	Chinese	Jul 23 1987
Agreed Minutes of the Thirteen Round Economic and Trade Conference Between the Association of East Asian Relations and the Interchange Association	Japanese	English	Chinese	Jul 21 1988
Agreed Minutes of the Fourteen Round Economic and Trade Conference Between the Association of East Asian Relations and the Interchange Association	Japanese	English	Chinese	Jul 27 1989
Agreed Minutes of the Fifteen Round Economic and Trade Conference Between the Association of East Asian Relations and the Interchange Association	Japanese	English	Chinese	Sep 7 1990
Agreed Minutes of the Sixteen Round Economic and Trade Conference Between the Association of East Asian Relations and the Interchange Association	Japanese	English	Chinese	Sep 20 1991
The Ministry of Foreign Affairs of the Republic of China's statement on Japanese Prime Minister Morihiro Hosokawa's Government Statement Apology on the Sino-Japanese War	Japanese	English	Chinese	Jun 12 1992
Agreed Minutes of the Seventeen Round Economic and Trade Conference Between the Association of East Asian Relations and the Interchange Association	Japanese	English	Chinese	Aug 1 1992
President Lee's meeting with Luis Alberto Monge, the President of Costa Rica	Japanese	English	Chinese	Jan 9 1993
President Lee's meeting with Japanese Senators	Japanese	English	Chinese	Jan 13 1993
The Ministry of Foreign Affairs of the Republic of China's statement about the Japan Self-Defense Force participation in United Nations Peacekeeping Operations.	Japanese	English	Chinese	Aug 23 1993
Agreed Minutes of the Eighteen Round Economic and Trade Conference Between the Association of East Asian Relations and the Interchange Association	Japanese	English	Chinese	Oct 27 1993

Titles	*Languages*			*Date*
President Lee's meeting with Japanese Congressmen Masayuki Fujio, Chairman of the Japan-ROC Parliamentarians Council	Japanese	English	Chinese	Dec 9 1994
President Lee's meeting with Sadanori Yamanaka, Japanese Congressman	Japanese	English	Chinese	Dec 9 1994
Agreed Minutes of the Eighteen Round Economic and Trade Conference Between the Association of East Asian Relations and the Interchange Association	Japanese	English	Chinese	Dec 20 1995
President Lee's meeting with Japanese Diet Members	Japanese	English	Chinese	Aug 28 1996
President Lee's Meeting with Yukio Edano, Japanese Congressman	Japanese	English	Chinese	Mar 17 1997
President Lee's Meeting with Japanese Senators	Japanese	English	Chinese	May 17 1997
President Lee's Meeting with Japanese Congressmen	Japanese	English	Chinese	Jul 7 1997
President Lee's meeting with Japanese Congressmen of The New Frontier Party and the Democratic Party	Japanese	English	Chinese	Aug 22 1997
Vice President Lein's meeting with Shinzo Abe, Japanese Congressman	Japanese	English	Chinese	Sep 23 1997
President Lee's meeting with Yukio Hatoyama, Japanese Congressman	Japanese	English	Chinese	Nov 24 1997
Agreed Minutes of the Twenty-Five Round Economic and Trade Conference Between the Association of East Asian Relations and the Interchange Association	Japanese	English	Chinese	Sep 26 2000
President Chen's Meeting with Japanese Congressmen	Japanese	English	Chinese	Dec 20 2000
Agreed Minutes of the Twenty-Six Round Economic and Trade Conference Between the Association of East Asian Relations and the Interchange Association	Japanese	English	Chinese	Nov 28 2001
President Chen's meeting with Naoto Kan, Japanese Congressman	Japanese	English	Chinese	Nov 14 2002

Titles	*Languages*			*Date*
Agreed Minutes of the Twenty-Seven Round Economic and Trade Conference Between the Association of East Asian Relations and the Interchange Association	Japanese	English	Chinese	Nov 28 2002
President Ma's Meeting with Japan Interchange Association Taipei Office New Chief Representative Masaki Saito	Japanese	English	Chinese	Aug 1 2008
President Ma's Attending the New Year Gathering of Japanese Expatriates in Taiwan	Japanese	English	Chinese	Jan 7 2009
The Ministry of Foreign Affairs of the Republic of China's Announcement about 'The Year to Bolster Japan and Taiwan's Special Partnership'	Japanese	English	Chinese	Jan 20 2009
The Ministry of Foreign Affairs of the Republic of China's statement about Saito Masaki, Chief Representative of Japan Interchange Association Taipei Office, comment that Taiwan's status is "still unresolved"	Japanese	English	Chinese	May 1 2009
The Interchange Association Exchange of Letter between the Japanese and Taiwanese Governments on the Maintenance of Civil Aviation Business	Japanese	English	Chinese	Dec 11 2009
President Ma's Meeting with Japan Interchange Association Taipei Office Chief Representative Masaki Saito	Japanese	English	Chinese	Dec 14 2009
Taiwan and Japan's Memorandum of Understanding (MOU) for the Enhancement of Exchanges and Cooperation to Further Bilateral Collaboration	Japanese	English	Chinese	Apr 30 2010
The Ministry of Foreign Affairs of the Republic of China's statement about the Japan Ministry of Defense plan to redraw the ADIZ westward from Yonaguni Island	Japanese	English	Chinese	May 29 2010
The Japan Ministry of Defense's Statement about Redrawing the ADIZ Westward from Yonaguni Island	Japanese	English	Chinese	Jun 24 2010
The Ministry of Foreign Affairs of the Republic of China's Statement about the Taiwan-Japan ADIZ demarcation line remains unchanged	Japanese	English	Chinese	Jun 24 2010
President Ma's meeting with delegation of Japanese parliamentarians	Japanese	English	Chinese	Jul 23 2010
The Cooperation Agreement Between the Japan Chamber of Commerce and Taiwan Japan Association for Business Communication	Japanese	English	Chinese	Sep 1 2010
Ministry of Foreign Affairs Republic of China (TAIWAN) 's statement about the Sovereignty over the Diaoyutai Islands (September 13, 2010)	Japanese	English	Chinese	Sep 13 2010

Titles	*Languages*			*Date*
Ministry of Foreign Affairs Republic of China (TAIWAN) 's statement about the Sovereignty over the Diaoyutai Islands (September 14, 2010)	Japanese	English	Chinese	Sep 14 2010
Ministry of Foreign Affairs Republic of China (TAIWAN) 's statement about the Sovereignty over the Diaoyutai Islands (September 24, 2010)	Japanese	English	Chinese	Sep 24 2010
Office of the President issuing statement regarding the Diaoyutai Islands	Japanese	English	Chinese	Oct 5 2010
Ministry of Foreign Affairs Republic of China (TAIWAN)’s statement about the Sovereignty over the Diaoyutai Islands, October 21, 2010?	Japanese	English	Chinese	Oct 21 2010
President Ma's meeting with former Japanese prime minister Shinzo Abe	Japanese	English	Chinese	Oct 31 2010
Ministry of Foreign Affairs Republic of China (TAIWAN) 's statement about the Sovereignty over the Diaoyutai Islands (November 4, 2010)	Japanese	English	Chinese	Nov 4 2010
Japan-Taiwan Mutual Cooperation on the Liberalization Promotion and Protection of Investment	Japanese	English	Chinese	Sep 22 2011
The Memorandum on Mutual Cooperation of Patent Procedures between Association of East Asian Relations and Interchange Association (the Memorandum on Japan-Taiwan Patent Prosecution Highway)	Japanese	English	Chinese	Apr 13 2012
The Memorandum Relating to Exchange of Financial Information on Money laundering and the Financing of Terrorism between Association of East Asian Relations and Interchange Association	Japanese	English	Chinese	Apr 25 2012

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